



ATLAN HOLDINGS BHD
198801005893 (173250-W)

DIRECTORS' FIT AND PROPER POLICY

- **DIRECTORS' FIT AND PROPER POLICY**
-

	Page
TABLE OF CONTENT	1
1. INTRODUCTION	2
2. OBJECTIVE	2
3. THE FIT AND PROPER CRITERIA	2
4. ASSESSMENT	4
5. NON DISCLOSURE OF SENSITIVE AND CONFIDENTIAL INFORMATION	4
6. REVIEW OF POLICY	4

- **DIRECTORS' FIT AND PROPER POLICY**

1. INTRODUCTION

Atlan Holdings Bhd. ("AHB" or "Company") has adopted the Directors' Fit and Proper Policy ('Policy') to ensure a formal, rigorous and transparent process for the appointment and re-election/ re-appointment of Directors of the Company and its subsidiaries.

2. OBJECTIVE

- 2.1 This Policy has been prepared to complement the relevant provisions of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the Companies Act 2016 ("CA") and the best practices set out in the Malaysian Code on Corporate Governance ("MCCG") 2021 and serve as a guide to the Nomination Committee ("NC") and the Board in their evaluation in relation to any appointment and re-election of Directors of the Company and its subsidiaries.
- 2.2 This Policy is to ensure each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director of AHB and its subsidiaries.

3. THE FIT AND PROPER CRITERIA

- 3.1 The Board and NC shall be directly responsible for conducting assessments on the fitness and propriety of directors and making decisions on their appointment. The fit and proper criteria of a Director include but are not limited to the following:

3.1.1 Character and integrity

- (a) Probity
 - (i) is compliant with legal obligations, regulatory requirements and professional standards.
 - (ii) has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.
- (b) Personal integrity
 - (i) has not perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on his/her professional conduct.
 - (ii) Service contract (i.e. in the capacity of management or director) and has not been terminated in the past due to concerns on personal integrity.
 - (iii) has not abused other positions (i.e. that he/she has held) in a manner that contravenes principles of good governance and professional ethics.
 - (v) has not been reprimanded or disqualified or removed by a professional or regulatory body in relation to matters in respect to the person's honesty, integrity or business conduct.

- **DIRECTORS' FIT AND PROPER POLICY**

- (c) Financial integrity
 - (i) manages personal debts or financial affairs satisfactorily.
 - (ii) demonstrates ability to fulfil personal financial obligations as and when they fall due.
 - (iii) has not been subjected to a judgment debt which is unsatisfied, either in whole or in part whether in Malaysia or elsewhere.
- (d) Reputation
 - (i) has good repute in the financial and business community.
 - (ii) has not been involved in civil or criminal proceedings or enforcement action, in managing or governing an entity for the past ten (10) years.
 - (iii) has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management.

3.1.2 Competence and capability

- (a) Qualification, training and skills
 - (i) has appropriate qualification, training, skills, practical experience and commitment to effectively fulfil the role and responsibilities of the position.
 - (ii) has considerable understanding on the business and workings of a corporation.
 - (iii) has general management skills as well as understanding of corporate governance and sustainability issues.
 - (iv) keeps knowledge current based on continuous professional development.
 - (v) possesses leadership capabilities and a high level of emotional intelligence.
- (b) Relevant experience and expertise
 - (i) possessed relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities.
- (c) Relevant past performance or track record
 - (i) had a career of occupying a high-level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations.
 - (ii) possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

- **DIRECTORS' FIT AND PROPER POLICY**

3.1.3 Time and commitment

- (a) Ability to discharge role having regard to other commitments
 - (i) able to devote time as a Board member, having factored other outside obligations including concurrent board positions held by the director across listed companies and non-listed companies (including not-for-profit organisations).
- (b) Participation and contribution in the Board or track record
 - (i) demonstrates willingness to participate actively in board activities.
 - (ii) demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom.
 - (iii) exhibits ability to articulate views independently, objectively and constructively.
 - (iv) exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

4. **ASSESSMENT**

4.1 The NC will assess each person for a new appointment or re-appointment of Directors based on the criteria set under item 3.1 and shall be conducted by the NC both prior to the initial appointment and at regular intervals of at least annually or wherever the Company becomes aware of information that may materially compromise a Director's fitness and propriety, before recommending to the Board for approval. Failure to meet any factor does not necessarily mean failure to meet the fit and proper criteria. The Company will consider the specific circumstances for the Director's failure to meet the specific criteria due to other contributing factors and the significant of the event that may pose potential risk to the Company. For re-election of the Director, the Directors will be evaluated based on the Board Evaluation Form as set out in **Annexure 1** (The questionnaires are based on the Corporate Governance Guide 4th Edition).

4.2 For the appointment of new Director, the person is required to complete the Prospective Directors Information as set out in **Annexure 2**.

5. **NON-DISCLOSURE OF SENSITIVE AND CONFIDENTIAL INFORMATION**

5.1 Whilst the Company should disclose the customised considerations and expectations in this Policy, the Company will not disclose any sensitive and confidential information.

6. **REVIEW OF POLICY**

6.1 This Policy shall be reviewed periodically by the NC to ensure that it continues to remain relevant and appropriate. Any recommendation for revision to this Policy shall be presented to the Board for approval.

This Policy duly approved by the Board of Directors on 27 April 2023.

- **DIRECTORS' FIT AND PROPER POLICY**
-

History of the Directors' Fit and Proper Policy

Date	Description
21 June 2022	Approval and adoption of the Directors' Fit and Proper Policy by the Board
27 April 2023	Approval and adoption of the Revised Directors' Fit and Proper Policy by the Board

Directors' Evaluation Form

DIRECTORS' EVALUATION FORM

Annual evaluation of board directors, where applicable, and/or evaluation prior to appointment and / or re-appointment.

The evaluation form provides ratings from one (1) to four (4), or 'yes' and 'no', with the indicators illustrated below, to be responded in relation to the nature of the questions:

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Yes, always	Yes, most of the time	Yes, but seldom	No
or			
4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Above average	Average	Below average	Poor
or			
Yes <input type="checkbox"/>			No <input type="checkbox"/>
Yes			No

Where any criterion is deemed not applicable, it should be indicated as 'Not Applicable' in the comment box.

Name of director: _____

Section A: Fit and Proper

- Has not been questioned, publicly or privately, of his/her honesty, integrity, professional conduct or business ethics/ practices which are deceitful, oppressive or improper

Yes <input type="checkbox"/>	No <input type="checkbox"/>
Comment:	

Directors' Evaluation Form

2. Has shown willingness to maintain effective internal control systems and risk management practices

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

3. Possesses relevant qualifications, knowledge, experience and ability to understand the technical requirements, risk and management of the company's business

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

Section B: contribution and Performance

4. Probes management to ensure management has taken, and suggests management to take, into consideration the varying opportunities and risks whilst developing the strategic plan (this plan may or may not be in writing as long as minutes of meeting provide a discussion of such strategy)

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

5. Provides logical honest opinions on issues presented and is not afraid of expressing disagreement on matters during the meeting, if any

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

6. Receives feedback from board and/ or committee and incorporates feedback obtained into the decision-making process in an objective manner

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

7. Defends stand through constructive deliberations at board and/ or committee meetings, where necessary

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

Directors' Evaluation Form

8. Tackles conflicts and takes part in proposing solutions

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

9. Offers practical and realistic advice to board and/ or committee discussions

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

10. Takes initiative to demand for additional information, where necessary

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

11. Tests quality of information and assumptions

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

12. Reviews and relates short-term concerns to long-term strategy

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

13. Contributes to risk management initiatives

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

14. Contributes personal knowledge and experience into the consideration and development of strategy

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

15. Facilitates objective-oriented decision-making process

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

Directors' Evaluation Form

16. Prioritises context of issues to be in line with objectives

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

17. Effectively and proactively follows up on areas of concern

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

18. Demonstrates willingness to devote time and effort to understand the company and its business and readiness to participate in events outside the boardroom, such as site visits

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

Section C: Calibre and Personality

19. Acts in good faith and with integrity

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

20. Well prepared at meetings and adds value to board and/ or committee meetings

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

21. Works constructively with peers, the company secretary and senior management

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

22. Offers insight to matters presented with requisite knowledge and skills, and shares information

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

Directors' Evaluation Form

23. Encourages others to get things done, is decisive and action-oriented

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

24. Articulates in a non-confrontational and comprehensible manner

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

25. Understands individual roles and responsibilities and ensures contribution is contemporary with developments

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

26. Behaviour engenders mutual trust and respect within the board and other key officers

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

27. Communicates effectively with shareholders

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

28. Constructively challenges and contributes to the development of strategy

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

29. Scrutinises the performance of management in meeting agreed goals and objectives, and monitors reporting of performance

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

Directors' Evaluation Form

30. Satisfies himself/herself that financial information is accurate and financial controls and systems of risk management are robust and defensible

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

Checked and compiled by:

Name:

Designation:

Prospective Director's Information

Part A: Personal Details

1	Title	
2	Full Name	
3	Age	
4	Date of Birth	
5	NRIC No. / Passport No. If Passport, please state: a) Country/place passport was issued b) Passport expiry	
6	Nationality	
7	Residential Address	
8	Correspondence Address (if different from above)	
9	Telephone No.	
10	Email Address	

Part B: Education Background and Work Experience

1	Educational Qualification (List all chronologically from the latest qualification)	
2	Work Experience (List all chronologically from the latest experience to the last)	
3	What do you consider to be your core area(s) of expertise?	

Part C: Directorship

1	List of Current and Past Directorship	
---	---------------------------------------	--

Part D: Declaration

1	Do you have any relationship with any Directors in the Company?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details:
2	Do you have any interest, both direct and indirect in the Company?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details:
3	Do you have any relatives currently working in the Company?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details:
4	Have you ever been committed of any commercial and criminal crimes including but not limited to traffic offence under the laws of Malaysia or abroad?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details:
5	Are you currently and/or the company where you are a director been notified of any impending disciplinary or criminal proceedings or of any investigations, which might lead to such proceedings?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details:

Part D: Declaration (Cont'd)

6	Have you or the company where you are a director contravene any provision made by or under any written law such as the Anti-Money Laundering and Anti-Terrorism Financing Act 2001, the Malaysian Anti-Corruption Commission Act 2009 and any other applicable laws?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details:
7	Have you or the company where you are a director been reprimanded by the regulators namely, Securities Commission Malaysia and Suruhanjaya Syarikat Malaysia and any other regulators?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details:
8	Have you involved in any business or relationship which could materially pose a conflict of interest or interfere with your judgment when acting as a director which is disadvantageous to the company?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details:
9	Are you or have you been subject to any bankruptcy, insolvency or similar procedures?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details and actions taken to clear yourself from such liability:
10	Are you subject to any cooling-off period (either under an agreement or under the law)?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details:

Part E: Others

1	What kind of time commitments do you have for your current activities?	
2	How much time would you dedicate to the Company's Board?	

I, (NRIC/Passport No:) hereby declare that the above responses are true and correct, as to the best of my knowledge. I further authorise the Company to conduct background check, if required, which may consist of prior employment verification, professional reference checks, education confirmation and/or criminal record and credit checks for the purpose of my appointment as a Director of Atlan Holdings Bhd.

.....
Signature:

.....
Name:

.....
Date: