

**Fit and Proper Policy
for Directors and Chief Executive Officer**

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1. PURPOSE

To serve as a guiding mechanism and framework for the NRC on the process for new appointments and re-appointments of Chairman, Directors and CEO, Board Committees' appointments, removal/resignation of Director, removal of CEO, and the annual fit and proper ("F&P") assessment of Directors and CEO of the Company.

2. SCOPE

This F&P Policy applies to the Company's new appointments and re-appointments of Chairman, Directors and CEO, Board Committees' appointments, removal/resignation of Director, removal of CEO, and the annual F&P assessment of Directors and CEO.

3. POLICY STATEMENT

- (i) The Company is required to ensure that the Chairman, Directors and CEO of the Company have the integrity and competence required to perform their roles, and remain fit and proper to assume their responsibilities.
- (ii) Pursuant to the NRC's TOR, the NRC is responsible, inter alia:
 - (a) for new appointments of Chairman, Directors and CEO – assessing and, if deemed fit, recommending for Board approval the candidates for such positions ("**Candidate(s)**") ("**New Appointments**");
 - (b) for re-appointments of Chairman, Directors and CEO – assessing and, if deemed fit, recommending for Board approval the re-appointments for such positions ("**Re-Appointments**");
 - (c) for appointments to Board Committees – assessing and, if deemed fit, recommending for Board approval the appointment of Directors to Board Committees ("**Board Committees Appointments**");
 - (d) for removal of Director – assessing and, if deemed necessary, recommending for Board approval the removal of Director;
 - (e) for removal of CEO – assessing and, if deemed necessary, recommending for Board approval the removal of CEO; and
 - (f) for annual F&P assessment of Directors and CEO – assessment per the Assessment Criteria for such positions ("**Annual F&P Assessment**").
- (iii) This F&P Policy sets out the assessment criteria and guidelines for New Appointments, Re-appointments, Board Committees Appointments, removal/resignation of Director, removal of CEO and the Annual F&P Assessment.

4. LEGAL AND REGULATORY PROVISIONS

This F&P Policy must be read in conjunction with other relevant HLCB's Policies and Standard Operating Procedures including the following, but not limited to:

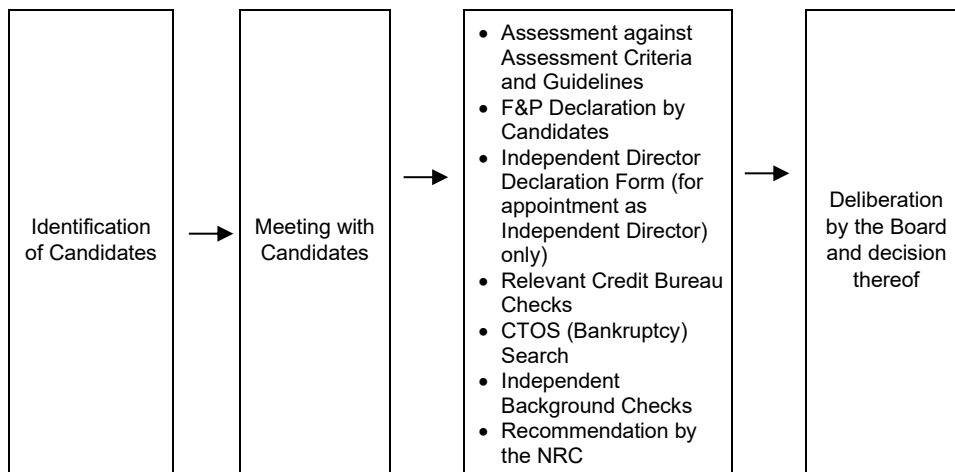
- (a) Companies Act 2016;
- (b) Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001;
- (c) Personal Data Protection Act 2010;
- (d) HLCB's Anti-Bribery and Corruption Policy;
- (e) Any other policies and procedures issued by HLCB or Hong Leong Group (where relevant to HLCB) from time to time; and
- (f) Any other applicable laws, guidelines, policy documents, notifications and standards, circulars/directives or applicable regulations issued by Bursa Malaysia Berhad or other regulatory authorities/associations, where applicable.

5. PRINCIPLES

5.1 Assessment Process

(A) New Appointments

- (a) The nomination, assessment and approval process for New Appointments shall be as follows:



- (b) Assessment Criteria and Guidelines

The Candidates will be assessed based on the following Assessment Criteria:

- (i) how the Candidate will be a strategic and effective fit for the Board and contribute to the overall desired composition and required mix of expertise/experience to enhance the Board's overall effectiveness.

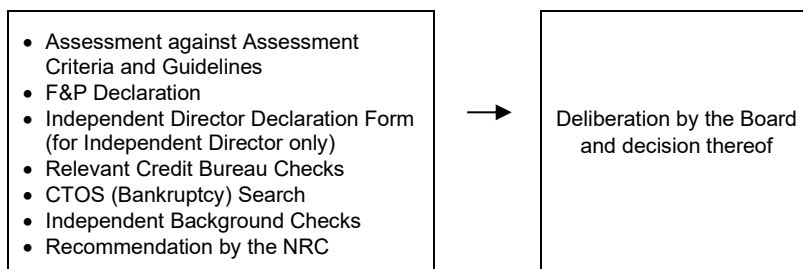
The NRC shall, inter alia, consider the attributes, qualifications, management, leadership and business experience, which ought to be at the most senior level.

In respect of skills, expertise and background, the Candidate should ideally complement the mix of core competencies of the Board as a whole including but not limited to business, legal and financial expertise, professional knowledge, information technology and financial industry experience.

- (ii) in the case of CEO, the Candidate's knowledge and experience in the industry, market and segment and how this will bear on the performance of his/her duties;
- (iii) the Candidate shall complete the F&P Declaration as set out in Appendix 1 in respect of his/her probity, competence, personal integrity, reputation, qualifications, skills, experience and financial integrity in line with the standards required under the relevant regulatory requirements. The Company shall conduct independent background checks on the areas as set out in Appendix 2 ("**Independent Background Checks**"), to verify the information disclosed in the F&P Declaration;
- (iv) the Candidate is required to ensure that the financial obligation information reported is accurate with cross reference made to his/her individual CCRIS report accordingly;
- (v) the Candidate will be briefed on expectations on his/her role including his/her time commitment, the F&P assessments to be conducted and general and specific contributions expected; and
- (vi) whether the Candidate is required to attend appropriate training to strengthen any specific area of market knowledge/experience so as to close the gaps identified to be lacking.

(B) Re-Appointments

- (a) The assessment and approval process for Re-Appointments shall be as follows:



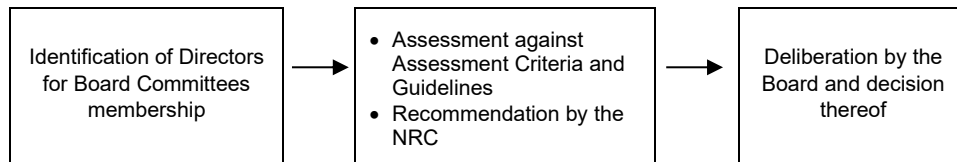
- (b) Assessment Criteria and Guidelines

- (i) For Re-Appointments, the Chairman, Directors and CEO will be evaluated on their performance in the discharge of duties and responsibilities effectively, including, inter alia, contribution to Board deliberations and commitment, and for independent directors, their independence.

- (ii) In addition, the NRC shall, inter alia, consider the attributes, qualifications, management, leadership and business experience, which ought to be at the most senior level.
- (iii) In respect of skills, expertise and background, he/she should ideally complement the mix of core competencies of the Board as a whole including but not limited to business, legal and financial expertise, professional knowledge, information technology and financial industry experience.
- (iv) The NRC shall also consider the Board Annual Assessment results of the Chairman and Directors, the contribution during the term of office and the attendance at Board meetings, which pursuant to the MMLR, must be at least 50% of the Board meetings held in the financial year.
- (v) Directors and CEO shall complete the F&P Declaration in respect of their probity, competence, personal integrity, reputation, qualifications, skills, experience and financial integrity in line with the standards required under the relevant guidelines. The Company shall conduct Independent Background Checks to verify the information disclosed in the F&P Declaration.
- (vi) Directors and CEO are required to ensure the financial obligation information reported is accurate with cross reference made to their individual CCRIS report accordingly.

(C) Board Committees Appointments

- (a) The nomination, assessment and approval process for Board Committees Appointments shall be as follows:

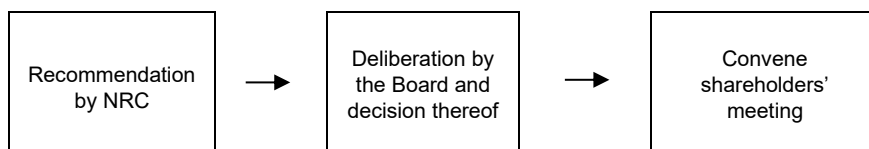


- (b) Assessment Criteria and Guidelines

The assessment for Board Committees Appointments will be based on the Directors' potential contributions and value-add to the Board Committees with regard to Board Committees' roles and responsibilities.

(D) Removal/Resignation of Director/Chairman

- (a) The assessment and approval process for removal of Director shall be as follows:



The Company may by ordinary resolution at a shareholders' meeting remove the Director before the expiration of the Director's tenure of office.

(b) The office of a Director shall become vacant if the Director resigns his office by notice in writing to the Company.

(c) Where a Director/Chairman of the Company:

- (i) becomes disqualified under section 198 of CA 2016; or
- (ii) no longer complies with any of the F&P requirements as may be specified under the MMLR,

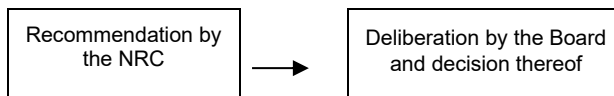
he/she shall immediately cease to hold office and act in such capacity.

(d) The Company shall immediately:

- (i) in the case of paragraph (c)(i), terminate the appointment of Director/ Chairman; or
- (ii) in the case of paragraph (c)(ii), remove the Director/Chairman from office.

(E) Removal of CEO

(a) The assessment and approval process for removal of CEO shall be as follows:

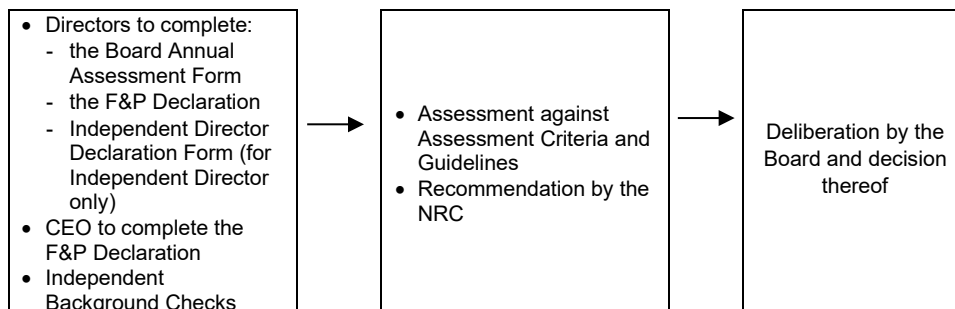


(b) Where a CEO of the Company becomes disqualified under paragraph 5.7 below, he/she shall immediately cease to hold office and act in such capacity.

(c) The Company shall immediately, in the case of paragraph (b), remove the CEO from office.

(F) Annual F&P Assessment

(a) The Annual F&P Assessment process shall be as follows:



The NRC will carry out the Annual F&P Assessment in conjunction with the Board Annual Assessment of the effectiveness of the Board as a whole, the contribution by each Director to the effectiveness of the Board, and the contribution of the Board's various committees ("**Board Annual Assessment**").

Directors and CEO shall complete the F&P Declaration in respect of their probity, competence, personal integrity, reputation, qualifications, skills, experience and financial integrity in line with the standards required under the relevant guidelines annually. The Company shall conduct Independent Background Checks to verify the information disclosed in the F&P Declaration.

(b) **Assessment Criteria and Guidelines**

Assessment Criteria and Guidelines will be as set out in the F&P Declaration and Board Annual Assessment Form.

5.2 Statutory Requirements

In the assessment of New Appointments or Re-Appointments, as the case may be, the NRC shall inter alia be guided by the provisions of the CA 2016, the MMLR and the Capital Markets and Services Act 2007, where applicable, and any amendments made thereto from time to time as well as applicable new legislations and guidelines introduced from time to time (collectively referred to as the "**Statutory Requirements**").

5.3 Criteria of Directors

- (1) A person is disqualified from being appointed or elected, re-appointed or re-elected, accepting any appointment or election, or holding office, as a Chairman and Director of the Company if:
 - (a) he/she is an undischarged bankrupt, has suspended payments or has compounded with his/her creditors whether in or outside Malaysia;
 - (b) a charge for a criminal offence relating to bribery, dishonesty or fraud under any written law or the law of any country, territory or place outside Malaysia, has been proven against him/her;
 - (c) he/she is prohibited from being a Director of a company or in any way, whether directly or indirectly, be concerned or take part in the management of a company in Malaysia pursuant to a Court order made under Section 199 of the CA 2016 and has not obtained any leave of the Court under the same section;
 - (d) he/she has been convicted of an offence relating to the promotion, formation or management of a company;
 - (e) he/she has been convicted of an offence under Sections 213, 217, 218, 228 and 539 of CA 2016; or
 - (f) under any law relating to prevention of crime, drug trafficking or immigration:
 - (i) an order of detention, supervision, or deportation has been made against that person; or
 - (ii) any form of restriction or supervision by bond or otherwise, has been imposed on him/her.

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- (2) A Director of the Company must not have competing time commitments that impair his/her ability to discharge his/her duties effectively.
 - (3) A Director of the Company must not be an active politician.
 - (4) Subject to Section 5.4(f) below, where a firm has been appointed as the external auditor of the Company, any of its officers directly involved in the engagement and any partner of the firm must not serve or be appointed as a Director of the Company until at least 3 years after:
 - (a) he/she ceases to be an officer or partner of that firm; or
 - (b) the firm last served as an auditor of the Company.
 - (5) A Director must immediately disclose to the Board any circumstances that may affect his/her ability to meet the criteria of Directors as set out above. In such a case, the NRC and the Board shall review the status of the Director and to undertake the necessary actions specified in Section 5.1(D), if deemed appropriate.

5.4 Criteria of Independent Directors

An independent director is a director who is independent in character and judgment, independent of management and free from any business or other relationship which could impair or interfere with the exercise of independent judgement or the ability to act in the best interests of the company. Without limiting the generality of the foregoing, an independent director is one who:

- (a) is not, and has not been within the last 3 years, an officer of the Company or any related corporation of the Company (each corporation is referred to as “**Corporation**”). For this purpose, “officer” refers to the following person(s) but excludes a director who has served as an independent director in any one or more of the Corporation for a cumulative period of less than 12 years:
 - (i) any director, secretary or employees of the Corporation;
 - (ii) a receiver and manager of any part of the undertaking of the Corporation appointed under a power contained in any instrument; and
 - (iii) any liquidator of the Corporation appointed in a voluntary winding up.
- (b) is not a substantial shareholder of the Corporation;
- (c) is not a family member of any executive or substantial shareholder of the Corporation. For this purpose, “executive” refers to any individual who has management responsibilities in the Corporation;
- (d) is not acting as a nominee or representative of any executive director or major shareholder of the Corporation;
- (e) (i) has not personally provided professional advisory services to the Corporation within the last 3 years; or
 - (ii) is presently not a partner, director (except as an independent director) or major shareholder, of a firm or corporation (“**Entity**”) which has provided professional advisory services to the Corporation within the last 3 years,

and the consideration in aggregate is not more than 5% of the gross revenue on a consolidated basis (where applicable) of the said director or the Entity or RM1 million, whichever is the higher (“**Consideration Threshold**”);

- (f) (i) has not engaged personally in transactions with the Corporation (other than for board service as a non-executive director) within the last 3 years; or
- (ii) is not presently a partner, director or a major shareholder, of an Entity (other than subsidiaries of the Company) which has engaged in transactions with the Corporation within the last 3 years,
- (g) has not served as an independent director in any one or more of the Corporation for a cumulative period of more than 12 years from the date of his/her first appointment as an independent director.

5.5 Criteria of the Chairman of the Board

- (1) The Chairman of the Board must not be an Executive Director, and must not have served as a CEO of the Company in the past 5 years.
- (2) The Chairman of the Board must not be a chairman of the Board Committees.

5.6 Tenure of Independent Directors

The tenure of an Independent Director shall not exceed a cumulative term of 9 years from the date of his/her first appointment in the Company. The Independent Director may retire at the Annual General Meeting (“**AGM**”) immediately preceding or following the expiry of the 9-year term unless prior thereto, a suitable incumbent has been identified to replace the Independent Director before the AGM.

5.7 Criteria of CEO

- (1) A person is disqualified from being appointed or elected, re-appointed or re-elected, accepting any appointment or election, or holding office, as a CEO of the Company if:
 - (a) he/she is an undischarged bankrupt, has suspended payments or has compounded with his/her creditors whether in or outside Malaysia;
 - (b) a charge for a criminal offence relating to dishonesty or fraud under any written law or the law of any country, territory or place outside Malaysia, has been proven against him/her;
 - (c) he/she is prohibited from being a Director of a company or in any way, whether directly or indirectly, be concerned or take part in the management of a company in Malaysia pursuant to a Court order made under Section 199 of the CA 2016 and has not obtained any leave of the Court under the same section; or
 - (d) under any law relating to prevention of crime, drug trafficking or immigration:
 - (i) an order of detention, supervision, or deportation has been made against that person; or
 - (ii) any form of restriction or supervision by bond or otherwise, has been imposed on him/her.

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- (2) A CEO must not have competing time commitments that impair his/her ability to discharge his/her duties effectively.
 - (3) A CEO must immediately disclose to the Board any circumstances that may affect his/her ability to meet the criteria of CEO as set out above. In such a case, the NRC and the Board shall review the status of the CEO and to undertake the necessary actions specified in Section 5.1(E), if deemed appropriate.

6. PERSONAL DATA PROTECTION

The Company will comply with the requirements in the Personal Data Protection Act 2010 in carrying out the F&P assessment, including the requirement to obtain consent for the processing of personal data and provisions relating to data collection.

7. RECORDS MAINTENANCE

- (1) The Company Secretary of the Company shall maintain a current list of Directors and CEO who are subject to this F&P Policy and the Annual F&P Assessment.
- (2) The Company Secretary of the Company shall maintain comprehensive records of all documents and information relating to the F&P assessment of Chairman, Directors and CEO for a period of seven (7) years from the date of resignation or retirement of Chairman, Directors or CEO.
- (3) The documents and information recorded and maintained shall include correspondences (where applicable), report(s) on Independent Background Checks, information relating to and produced in the course of the F&P assessment.
- (4) All documents and information collected and maintained in relation to F&P assessment shall be kept strictly confidential and with its integrity safeguarded. The Company Secretary of the Company shall securely maintain all such documents in a locked storage facility and ensure that access is restricted to authorised personnel within the Company Secretarial Department who are responsible for the secretarial functions of the Company.

8. COMPLIANCE WITH F&P POLICY

- (1) Compliance with this F&P Policy is the responsibility of each individual Director and CEO as well as the Board as a whole. Directors and CEO shall comprehend the F&P requirements in this F&P Policy and their obligation to continue meeting the F&P criteria set out in the applicable requirements and guidelines on an on-going basis.
- (2) The Company Secretary shall furnish this F&P Policy to:
 - (a) the current Chairman, Directors and CEO on an annual basis; and
 - (b) a person to be appointed as Chairman, Director or CEO prior to his/her appointment.

10. DEFINITIONS

“Company” or “HLCB” refers to Hong Leong Capital Berhad.

“Board” refers to Board of Directors.

“CA 2016” refers to the Companies Act 2016.

“CEO” refers to the chief executive officer.

“F&P Policy” refers to Fit and Proper Policy for Directors and Chief Executive Officer.

“MMLR” refers to Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

“NRC” refers to the Nomination and Remuneration Committee of the Company.

Appendix 1
**HONG LEONG CAPITAL BERHAD
FIT AND PROPER DECLARATION**

This declaration shall be made by all Key Responsible Persons (“**KRP**”) including Directors, Chief Executive Officers and Senior Officers.

I hereby declare the following, to the best of my knowledge, and give consent to Hong Leong Capital Berhad (“**HLCB**”) to conduct background check and investigation as and when the need arises.

No.	1.0 Probity, Personal Integrity and Reputation	Yes	No
1.1	Are you or have you been the subject of any proceedings of a disciplinary or criminal nature, or have been notified of any impending proceedings or of any investigations, which might lead to such proceedings? If yes, please provide details.		
1.2	Have you contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice? If yes, please provide details.		
1.3	Have you contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies? If yes, please provide details.		
1.4	Have you, or any business in which you have a controlling interest or exercise significant influence, been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately? If yes, please provide details.		
1.5	Have you engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on your professional conduct? If yes, please provide details.		
1.6	Have you ever been dismissed, asked to resign or resigned from employment or from a position of trust, fiduciary appointment or position because of questions about your honesty and integrity? If yes, please provide details.		

No.	Probity, Personal Integrity and Reputation	Yes	No
1.7	<p>Have you ever been associated, in ownership or management capacity, with any company, partnership or other business association that has been refused registration, authorisation, membership or a license to conduct any trade, business or profession, or have had that registration, authorisation, membership or license revoked, withdrawn or terminated?</p> <p>If yes, please provide details.</p>		
1.8	<p>Have you held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while you were connected with that business?</p> <p>If yes, please provide details.</p>		
1.9	<p>Have you ever been a director of, or directly concerned in the management of, any corporation which is being or have been wound up by a court or other authority competent to do so within or outside Malaysia?</p> <p>If yes, please provide details.</p>		
1.10	<p>Have you ever been a director of, or directly concerned in the management of any financial institution, the license of which has been revoked?</p> <p>If yes, please provide details.</p>		
1.11	<p>In the past, have you acted unfairly or dishonestly in your dealings with your customers, employers, auditors and regulatory authorities?</p> <p>If yes, please provide details.</p>		
1.12	<p>Have you at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities resulting in a failure or potential failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations?</p> <p>If yes, please provide details.</p>		
1.13	<p>Have you at any time contributed significantly to the failure of an organization or a business unit?</p> <p>If yes, please provide details.</p>		
1.14	<p>Have you at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices?</p> <p>If yes, please provide details.</p>		

No.	Probity, Personal Integrity and Reputation	Yes	No
1.15	Do you have any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of your judgment when acting in the capacity of a key responsible person which would be disadvantageous to the Financial Institution or the Financial Institution's interest? If yes, please provide details.		
1.16	Has there been any penalty imposed and reprimand issued against you by a supervisory authority in or outside Malaysia? If yes, please provide details.		
1.17	Have you ever been unsuccessful in any application with Bank Negara Malaysia for appointment or re-appointment as Director or Chief Executive Officer of a Financial Institution (Banking Institution, Insurance Company, Takaful Operator or Financial Holding Company)? If yes, please provide details.		
1.18	Are you an active politician? If yes, please provide details. <i>"active politician" refers to an individual who is a member of any national or state legislative body, or who is an office bearer of, or holds any similar office or position in a political party.</i>		

No.	2.0 Competence and Capability	Yes	No
2.1	Do you have the appropriate qualification, training, skills, practical experience and commitment to effectively fulfill the role and responsibilities of the position and in the case of a director, having regard to your other commitments?		
2.2	For staff only: Do you have satisfactory past performance or expertise in the nature of the business being conducted?	N/A	

No.	3.0 Financial Integrity	Yes	No
3.1	Have you been, and would you be able to fulfill your financial obligations, whether in Malaysia or elsewhere, as and when they fall due? If no, please provide details.		
3.2	Have you been the subject of a judgment debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere? If yes, please provide details.		

Note:

- You may use additional pages if necessary

I acknowledge and understand the fit and proper requirements outlined in the Fit and Proper Policy for Directors and Chief Executive Officer of HLCB, and my obligation to continue meeting those requirements on an ongoing basis. I undertake to immediately inform HLCB of the occurrence of any event that may materially compromise my fitness and propriety to act as a KRP of HLCB and thereby render my declaration above no longer applicable.

Signature of KRP : _____

Full Name : _____

Designation/
Position : _____

NRIC/Passport No. : _____

Date : _____

Independent Background Checks

The independent background checks to be conducted by the Company to verify the information disclosed in the F&P Declaration, shall cover, amongst others, the following areas:

- (i) Civil Litigation
 - Search includes all serious and minor litigation that is publicly available.
- (ii) Criminality/Local Integrity check
 - Search covers criminal records that are publicly available, offences from police open sourced databases, courts and enforcement agencies.
- (iii) Cyber Vetting/Adverse Media Search
 - Search includes all public media, online and publication search for adverse findings on the subject.
- (iv) Global Integrity Check
 - Search if the subject is linked to any International Sanctions, Anti Money Laundering, Counter Terrorist Financing, Interpol, Politically-Exposed Persons globally.
- (v) Malaysian Regulatory Searches
 - Search if the subject has been blacklisted as a cautioned individual by Malaysian Regulatory Bodies such as Bank Negara Malaysia, Securities Commission Malaysia and Malaysian Anti-Corruption Commission.