

THE MUI GROUP'S DIRECTORS' FIT AND PROPER POLICY

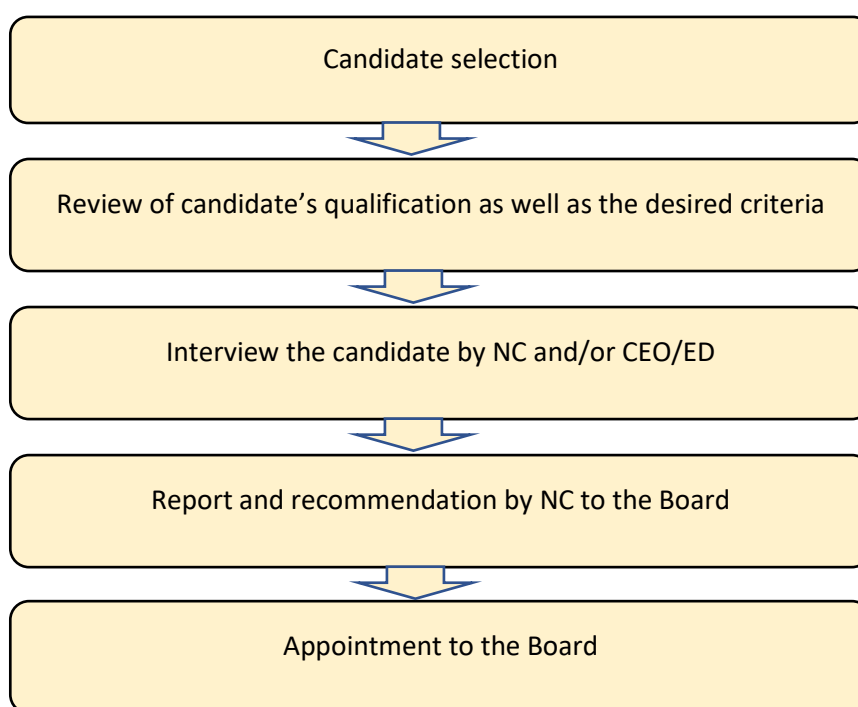
Malayan United Industries Berhad's ("the Company") Board Charter provides that the Nomination Committee ("NC") has the responsibility to identify and evaluate potential candidates based on their skills, experience, knowledge, expertise and commitment to fulfill the role and responsibilities of the position before making any recommendation to the Board for approval of the appointment. The ultimate decision on the appointment of a candidate is solely that of the Board of Directors of the Company ("the Board") as a whole.

The NC is also responsible for an annual assessment of the effectiveness of the Board as a whole, the various committees of the Board and individual Directors.

The NC and the Board, in conducting the fit and proper assessment, shall be guided by this Directors' Fit and Proper Policy.

(A) SELECTION PROCESS

The NC will select nominees for Directors pursuant to the following process:



- the identification of a potential Director is based on recommendations from current Directors and senior management and possibly using executive search firm to assist with finding candidates with the required skills and background.
- a review of the candidates' qualifications by the NC to determine which candidates best meet the Board's required and desired criteria. The Company Secretary or Head of Legal should assist the NC in any matters that are relevant to a particular assessment of a responsible person's fitness and propriety and providing information to the NC on matters concerning the procedure for fit and proper assessments, including background check on the candidate, credit and risk check (CTOS or equivalent check), bankruptcy check, criminal research etc;
- interviews of interested candidates among those who best meet these criteria by the NC and by the Executive Director and/or Chairman of the Board, if required;
- a report to the Board by the NC on the selection process and recommendation of nominees to the Board; and
- appointment by the Board to fill a vacancy or as an addition to the Board or formal nomination by the Board for appointment by shareholders at a shareholders' meeting.

THE MUI GROUP'S DIRECTORS' FIT AND PROPER POLICY

(B) CRITERIA FOR FIT AND PROPER

Candidates for Director nominees are reviewed in the context of the current composition of the Board, the operating requirements of the Company, the existing and prospective business environment faced by the Company and the long-term interests of shareholders. In assessing a person's fitness and propriety, the Board through its NC, shall consider a variety of criteria which include, but are not limited to the following:

1. Character and integrity

(a) Probity

- He is compliant with legal obligations, regulatory requirements and professional standards;
- He has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.

(b) Personal integrity

- He 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 professional conduct;
- His service contract (i.e. in the capacity of management or Director) had not been terminated in the past due to concerns on personal integrity;
- He has not abused other positions (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance.

(c) Financial integrity

- He manages personal debts or financial affairs satisfactorily;
- He demonstrates ability to fulfil personal financial obligations as and when they fall due.

(d) Reputation

- He is of good repute in the financial and business community;
- He has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;
- He 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.

2. Experience and competence

(a) Qualifications, training and skills

- He possesses education qualification that is relevant to the skill set that the Director is earmarked to bring to bear onto the Boardroom (i.e. a match to the Board skill set matrix);
- He has a considerable understanding on the workings of a corporation;
- He possesses general management skills as well as understanding of corporate governance and sustainability issues;
- He keeps knowledge current based on continuous professional development;
- He possesses leadership capabilities and a high level of emotional intelligence.

(b) Relevant experience and expertise

- He possesses 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

- He 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;
- He possesses commendable past performance record as gathered from the results of the annual evaluation.

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3. Time and commitment

(a) Ability to discharge role having regard to other commitments

- He is able to devote time as a Board member, having factored other outside obligations including concurrent Board positions held by the Director across listed issuers and non-listed entities (including not-for-profit organisations).

(b) Participation and contribution in the board or track record

- He demonstrates willingness to participate actively in Board activities;
- He demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the Boardroom;
- He manifests passion in the vocation of a Director;
- He exhibits ability to articulate views independently, objectively and constructively;
- He exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

In evaluating candidates for nomination as a Director, the NC will consider the minimum qualifications set forth above in addition to other factors it deems appropriate based on the current needs and desires of the Board, including specific business and financial expertise currently desired on the Board, and experience as a Director of a public company.

In the annual assessment of its Board, committees and individual Directors, the NC will reassess the qualifications of a Director, including the Director's past contributions to the Board and the Director's attendance and contributions at Board and Committee meetings, prior to recommending a Director for re-election to another term.

For Independent Director, in addition to the foregoing, the candidate to be appointed as an Independent Director must fulfill the independence test under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(C) REVIEW OF FIT AND PROPER POLICY

The Board will review this Policy from time to time and make the necessary amendments to ensure that the Policy remains consistent with the Board's objectives, current laws and practices.