



Sedania Innovator Berhad
[Registration No. 201301044527 (1074350-A)]

DIRECTORS' FIT AND PROPER POLICY

1 Introduction

- 1.1 The Board of Directors (“**the Board**”) of Sedania Innovator Berhad (“**the Company**”) believes that it is in the best interest of the Company and its stakeholders that its Directors possess the required character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to effectively and diligently discharge their responsibilities and duties and contribute to the proper governance of the Company and/or its subsidiaries.

2 Scope and Application

- 2.1 The scope of this Directors' Fit and Proper Policy (“**Policy**”) applies to existing Directors of the Company seeking for re-appointment and candidates for nomination or appointment as a Director of the Company.
- 2.2 This Policy forms part of the established and approved policy and procedures on nomination, appointment and re-appointment of Director of the Company.
- 2.3 The Policy shall be read together with the relevant regulations/guidelines as issued by the following regulatory bodies: -
- a) Malaysia Code of Corporate Governance by Securities Commission Malaysia;
 - b) Corporate Governance Guide by Bursa Malaysia Securities Berhad (“**Bursa Securities**”); and
 - c) ACE Market Listing Requirements of Bursa Securities.
- 2.4 The internal reference documents which are to be referred to the Policy include but are not limited to the following: -
- a) Board Charter;
 - b) Terms of Reference of the Nominating Committee;
 - c) Code of Conduct and Business Ethics; and
 - d) Anti-Bribery and Corruption Policy.

3 Duties and Responsibilities

3.1 The Board

- 3.1.1 The Board is ultimately responsible for ensuring that all existing Directors of the Company seeking for re-appointment and candidates for nomination or appointment as a Director of the Company fulfil the fit and proper requirements.
- 3.1.2 The Board shall provide a statement, included with results of its review and assessment, as to whether it supports the appointment of a candidate as Director of the Company or the re-appointment of an existing Director of the Company and the reasons thereof.

3.2 Nominating Committee (“NC”)

- 3.2.1 The Board delegates the duty to perform fit and proper assessment on existing Directors of the Company seeking for re-appointment and candidates for nomination or appointment as a Director to the NC based on the fit and proper criteria as tabulated under “**Section 4 – Fit and Proper Criteria**” and making recommendations to the Board on these matters for its review and decision.

3.3 Company Secretary(ies)

- 3.3.1 The NC is assisted by the Company Secretary(ies) on the following duties:-

- Ensuring that appropriate fit and proper assessments, based on the prescribed form and checklist, are carried out at the appropriate point of time;
- To facilitate the completion of the prescribed form and checklist in relation to fit and proper assessments and to obtain the necessary supporting documents and/or due diligence required to substantiate representations made by the existing Director or candidate, as applicable;
- To minute the review, deliberation, results and recommendation of the NC on fit and proper assessment of the existing Director or candidate, as applicable, during the meeting of the NC;
- To minute the Board's decision on the appointment and/or re-appointment;
- To ensure the completeness of all statutory documentations in relation to any appointment and/or re-appointment of Director;
- To make the required disclosure, statutory lodgement and announcement under relevant laws and regulations, subject to authorisation from the Board or the authorised officer of the Board;
- To safekeep all the above documentations for the longest period required under relevant laws and regulations and make available such documentations for inspection by the Board, any person authorised by the Board or the relevant regulatory bodies;
- To provide information and guidance to the NC and the Board on matters concerning the procedure for fit and proper assessments; and
- To ensure that the Company takes all reasonable steps to protect the information and documents collected for fit and proper assessments from being misuse, unauthorised access, modifications or disclosure.

4 Fit and Proper Criteria

4.1 In assessing a person's level of fitness and propriety, the Board via the NC shall consider the overarching criteria include but not limited to the following:-

(I) Character and integrity

(a) Probity

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

(b) Personal integrity

- 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;
- service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity;
- 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

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

(d) Reputation

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

(II) Experience and competence

(a) Qualifications, training and skills

- 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 and strategic priorities of the Company);
- has a considerable understanding on the workings of a corporation;
- possesses general management skills as well as understanding of corporate governance and sustainability issues;
- keeps knowledge current based on continuous professional development;
- possesses leadership capabilities and a high level of emotional intelligence;

(b) Relevant experience and expertise

- 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

- 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;
- possesses commendable past performance record as gathered from the results of the board effectiveness evaluation;

(III) Time and Commitment

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

- 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

- demonstrates willingness to participate actively in board activities;
- demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
- manifests passion in the vocation of a director;

- exhibits ability to articulate views independently, objectively and constructively; and
- exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

4.2 A person who had been identified for appointment as a Director or for re-appointment/re-election as a Director shall be required to make the fit and proper declaration in the form as set out in Appendix I of this Policy or in such other forms as the NC may from time to time prescribe or approve.

5 Review and Approval of This Policy

5.1 This Policy was adopted by the Board on 30 May 2022.

This Policy will be reviewed by the Board as and when required and will be updated in accordance with the needs of the Group and where necessary.

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