



SANICHI TECHNOLOGY BERHAD

Registration No. 200401023320 (661826-K)

(Incorporated in Malaysia)

DIRECTORS' FIT AND PROPER POLICY

(Effective from 30 June 2022)

DIRECTORS' FIT AND PROPER POLICY

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DIRECTORS' FIT AND PROPER POLICY

1.0 INTRODUCTION

Sanichi Technology Berhad (“STB” or “**the Company**”) and its subsidiaries (“the Group”) have adopted this Directors’ Fit and Proper Policy (“**FP Policy**”) to ensure a formal, transparent and rigorous process for the appointment and re-appointment / re-election of directors of the Group.

This FP Policy sets out the fit and proper criteria for the appointment and re-appointment/re-election of directors of the Group and ensures compliance with the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and other applicable laws and regulations.

2.0 OBJECTIVES

This FP Policy serves to guide the Nomination Committee (“**NC**”) of the Company and the Board of Directors (“**Board**”) in their review and assessment of potential candidates for appointment to the Board of the Group as well as the existing directors who are seeking for re-appointment/re-election.

This FP Policy aims to ensure that the directors of the Group comply with the Listing Requirements of Bursa Securities by possessing the character, diligence, integrity, relevant skills, knowledge, experience, competence and are time committed to carry out their roles and responsibilities with the highest integrity and professionalism as well as to act effectively, honestly and in the best interests of the Group.

3.0 FIT AND PROPER CRITERIA

This section sets out the criteria to be used for the assessment of the directors upon appointment, reappointment/re-election:

- (i) Character and integrity
- (ii) Experience and competence
- (iii) Time and commitment

In addition to assessing the self-declaration prescribed form as mentioned in 4.0 below, assessment would also be based on performance evaluation, resume and publicly available documents.

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3.1 Character and Integrity

(a) Probity

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

(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 about personal integrity; and
- has not abused other positions (e.g. 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; and
- demonstrates the 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, in managing or governing an entity for the past 5 years; and
- 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.

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3.2 Experience and Competence

(a) Qualifications, training and skills

- possesses education qualification that is relevant to the skill set that the director is expected to bring to bear into the boardroom (i.e. a match to the board skill set matrix);
- has a considerable understanding on the workings of a corporation;
- possesses general management skills as well as an 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; and

(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 for the position of director

- has had a career of occupying a senior position in a comparable organisation and has been accountable for driving or leading the organisation's governance, business performance or operations; and
- possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

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3.3 Time and Commitment

- (a) Ability to discharge role having regard to other commitments
- able to devote time as a board member, having factored in other outside obligations including concurrent board positions held by the director across listed issuers and non-listed entities (including non-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 the ability to articulate views independently, objectively and constructively;
 - exhibits open-mindedness to the views of others and the ability to make a considered judgment after hearing the views of others; and
 - brings his / her past experience and knowledge to assist, advise, develop and improve the Group's mission, strategy, operations etc.
- (c) Independence (applicable to appointment and re-appointment of Independent Director)
- meets the criteria of an Independent Director as specified in the Listing Requirements of Bursa Securities.

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4.0 PROCEDURE FOR FIT AND PROPER ASSESSMENT

Directors subjected for appointment or re-appointment/re-election shall submit a fit and proper declaration in the prescribed form to the NC for its assessment.

The NC shall review each appointment or re-appointment/re-election of directors before recommending the individual for Board's approval.

Failure to meet one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The NC shall consider the circumstances taking into consideration that any appointment or re-appointment / re-election of the director shall be made in the best interest of the company and shareholders.

5.0 REVIEW OF THE POLICY

The NC shall review this FP Policy from time to time and make any recommended changes as and when it deemed fit to ensure they remain consistent with the Board's objectives and any other relevant regulatory requirements. Changes to the FP Policy shall be subject to the approval of the Board.

This FP Policy was approved by the Board on 30 June 2022.