

DIRECTOR NOMINATION POLICY

INNATURE BERHAD

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1. INTRODUCTION

This Director Nomination Policy (“Policy”) is designed to build an effective Board composition through appointment or re-appointment of directors. The Nominating and Remuneration Committee (“NRC”) is responsible to achieve this by ensuring the balance of competency, qualification, experience and diversity for the Board to carry out its fiduciary duties and responsibilities.

This Policy is guided by the following principles:

- The nomination process shall be transparent, free from bias and self-interest at all times;
- The assessment of a person identified for appointment or re-appointment as a director of the Board shall be guided by the Fit and Proper Criteria set out under Paragraph 2 of this Policy.

2. DIRECTORS’ FIT AND PROPER CRITERIA

In assessing a person’s fitness and propriety, the NRC shall consider all relevant factors based on the following overarching criteria:

- Character and integrity;
- Experience and competence; and
- Time and commitment.

2.1 Character and integrity

a.	Probity	<ul style="list-style-type: none"> • compliant with legal obligations, regulatory requirements and professional standards; and • has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.
b.	Personal Integrity	<ul style="list-style-type: none"> • 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; • service contract (i.e. in the capacity of management or as a director) had not been terminated in the past due to concerns on his personal integrity; and • 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.

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c.	Financial integrity	<ul style="list-style-type: none"> • manages personal debts or financial affairs satisfactorily; and • demonstrates the ability to fulfill personal financial obligations as and when they fall due.
d.	Reputation	<ul style="list-style-type: none"> • 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; and • is of good repute in the financial and business community.

2.2 Experience and competence

a.	Qualifications, training and skills	<ul style="list-style-type: none"> • possesses education qualification that is relevant to the skill set that such director is earmarked to bring or to bear onto 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 understanding of corporate governance, and appreciation of sustainability issues; • keeps knowledge current based on continuous professional development; and • possesses leadership capabilities and a high level of emotional intelligence.
b.	Relevant experience and expertise	<ul style="list-style-type: none"> • 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.

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c.	Relevant past performance or track record	<ul style="list-style-type: none"> • had a career of occupying a high level position in a relevant organization, and was 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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2.3 Time and commitment

a.	Ability to discharge role having regard to other commitments	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • demonstrates willingness to participate actively in Board activities; • demonstrates willingness to devote time and effort to understand the business and exemplifies readiness to participate in events outside the Boardroom; • manifests passion in the vocation of a director; • exhibits ability to articulate view 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.

3. NOMINATION PROCESS

3.1 NRC should first identify the purpose of appointing new director to the Board, such as to fill any vacancy arising from retirement, resignation, close the competency gap in the Board as identified by the NRC or any other reasons.

3.2 The NRC then source for potential candidates through various channels such as recommendation from existing Board members, shareholders and engage professional third-party for the recruitment service.

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3.3 Upon identification of any potential candidate, the NRC should conduct an initial assessment on the suitability of the candidate based on the Fit and Proper Criteria set out under Paragraph 2 of this Policy. The initial assessment process is to review the candidate's resume, schedule an interview with the candidate and conduct a thorough background check on the qualification, job experience and any other credibility checks if deemed necessary.

3.4 After the initial assessment, NRC would make its recommendation to the Board for its consideration. The relevant documents shall be submitted to the Board as the supporting documents for the recommendation made by NRC.

4. ANNUAL ASSESSMENT OF EXISTING DIRECTORS

The NRC shall conduct annual assessment in respect of the Board, Board Committees and individual directors. The relevant assessment forms would be circulated to all/part of the Directors, as the case may be, for completion and the NRC will discuss the findings and make necessary recommendations (such as re-election, re-appointment, etc.) to the Board in relation thereto. The assessment would be guided by the Fit and Proper Criteria set out under Paragraph 2 of this Policy.

The director who is subject to re-election and/or re-appointment at the next annual general meeting shall be assessed by the NRC before any recommendation is made to the Board and shareholders for the re-election and/or re-appointment.

5. REVIEW OF POLICY

This Policy is subject to periodic review by the NRC and the Board's approval shall be obtained for any amendment or changes made from time to time.