

INDEPENDENT DIRECTOR ASSESSMENT POLICY

INNATURE BERHAD

Document

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INNATURE BERHAD

INDEPENDENT DIRECTOR ASSESSMENT POLICY

1. Introduction

This Independent Director Assessment Policy (“Policy”) is designed to ensure that an effective assessment is in place to evaluate the independence of all Independent Non-Executive Directors (“Independent Directors”) of InNature Berhad (“InNature” or “Group”). The Nominating and Remuneration Committee (“NRC”) is responsible to assist the Board to carry out this assessment on an annual basis to ensure that all Independent Directors are fit for the role and able to execute their fiduciary duties and responsibilities.

This Policy is guided by the following principles:

- The assessment process shall be transparent, free from bias and self-interest at all times;
- The Independent Directors must be able to perform their duties and responsibilities, particularly in providing their independent judgement at all times and act on the long-term interests of the stakeholders; and
- The Independence of Independent Directors shall not be compromised due to any factor.

2. Assessment Criteria

The NRC shall evaluate the independence of Independent Directors based on the following criteria:

- Competency and Experience:
The Independent Directors possess the competency, knowledge and experience which are relevant to their role and responsibility.
- Commitment:
The Independent Directors committed to exercise care and diligence in every aspect of the Group, particularly in the aspect of financial and corporate governance.
- Compliance:
The Independent Directors have, at all times, uphold their independency by complying to the requirements as specified under the Paragraph II(B) of the Group’s Board Charter (see **Appendix I**) and Paragraph 1.01 of Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad (see **Appendix II**).

INNATURE BERHAD

INDEPENDENT DIRECTOR ASSESSMENT POLICY

- Integrity and Independent Judgement:

The Independent Directors maintained the highest level of integrity, ethical character and are able to exercise independent judgement without prejudice in the course of carrying out their duties.

3. Assessment Process

I. Determine the scope and timing of annual assessment

NRC should commence the assessment after the end of Group's financial year and the parameters of that assessment should covers the full financial year instead of focusing on a single event which happened in that financial year.

II. Obtain adequate input from relevant personnel

NRC is encouraged to gather the input from various parties which had dealings with the Independent Directors throughout the financial year, such as the Group's non-independent directors, management, internal and external auditors. The all-rounded assessment will be useful in providing meaningful feedback to the Independent Directors concerned for improvement purpose, identify if there is any potential factor which might compromise their independency, and allows the Board to revisit the existing Board composition so as to ensure an optimal level of Board efficiency can be achieved.

III. Assessment based on established criteria

NRC should assess on how well the Independent Directors fit into the criteria established in Paragraph 2 of this Policy.

IV. Amalgamate the findings and communicate the assessment results to the Board

Upon the completion of annual assessment, NRC should present the findings of the assessment conducted and make recommendation to the Board as it deems necessary. The rationale of recommendation and any relevant supporting documents must be provided to the Board for the Board members' consideration.

INNATURE BERHAD
INDEPENDENT DIRECTOR ASSESSMENT POLICY

4. **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.

INNATURE BOARD CHARTER – PARAGRAPH II(B)

Board Independence

The roles of the Independent Non-Executive Directors are particularly important in bringing independent judgement and ensuring all issues proposed by the executive management are fully discussed and examined to take into account the long-term interests, not only of the shareholders, but also other stakeholders such as the employees, customers and business associates.

In determining independence, the Board will consider the definition of “independent director” defined under Paragraph 1.01 of the Listing Requirements and assess the corporate governance practices in the light of the changing circumstances facing the Company. As such, the Board chooses not to take a prescriptive approach to independence but to consider the independence of each Director, on a case by case basis, by taking into consideration the following factors:

- i. The suitability and ability of the Independent Non-Executive Director to carry out his roles and responsibilities effectively should be based on their caliber, qualifications, experience, personal qualities and knowledge of the Group’s business operation and activities.
- ii. The ability of an Independent Non-Executive Director must be independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company.

To preserve the independence of the Independent Non-Executive Director, their tenure shall not exceed a cumulative term limit of nine years. If the Board intends to retain an Independent Non-Executive Director beyond nine years, it should justify and seek annual shareholders’ approval. If the Board continues to retain the Independent Non-Executive Director after the twelfth year, the Board shall seek annual shareholders’ approval through the two-tier voting process as recommended by Practice 4.2 of MCCG 2017.

BURSA MAIN MARKET LISTING REQUIREMENTS – PARAGRAPH 1.01

Definition of Independent Director

Independent Director means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of an applicant or a listed issuer. Without limiting the generality of the foregoing, an independent director is one who –

- i. is not an executive director of the applicant, listed issuer or any related corporation of such applicant or listed issuer (each corporation is referred to as “said Corporation”);
- ii. has not been within the last 2 years and is not an officer (except as a non-executive director) of the said Corporation. For this purpose, “officer” has the meaning given in Section 2 of the Companies Act;
- iii. is not a major shareholder the said Corporation;
- iv. is not a family member of any executive director, officer or major shareholder of the said Corporation;
- v. is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
- vi. has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or
- vii. has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange.