

1. Introduction

- 1.1 In championing for qualified appointments at the leadership level, the Board of Directors ("the Board") of Sand Nisko Capital Berhad ("the Company") shall formalise and internalise clear parameters on the selection process of Directors. The Board shall demonstrate a clear commitment to developing a corporate culture that thrives on objectivity, transparency, meritocracy and diversity.

2. Purpose

- 2.1 The Directors' Fit and Proper Policy ("Policy") is formulated pursuant to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad and is approved by the Board.
- 2.2 The Policy shall serve to guide the Nomination Committee ("NC") and the Board in their review and assessment of candidates for appointment as Directors as well as Directors who are seeking for re-election.

3. Directors' Fit and Proper Criteria

- 3.1 Firstly, any person to be appointed as a Director or to continue holding the position as a Director within the Group must not be disqualified or deemed to be disqualified or vacated his/her office under the Companies Act 2016, MMLR and/or others relevant rules and regulations.

- 3.2 In assessing a person's fitness and propriety, the Board through its NC, shall consider all relevant factors based on the following overarching criteria:

3.2.1 Character and integrity

i) Probity

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

ii) Personal integrity

- He/she 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/her professional conduct.
- His/her 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/her 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.

iii) Financial integrity

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

iv) Reputation

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

3.2.2 Experience and competence

i) Qualifications, training and skills

- He/she 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/she has a considerable understanding on the workings of a corporation.
- He/she possesses general management skills as well as understanding of corporate governance and sustainability issues.
- He/she keeps knowledge current based on continuous professional development.
- He/she possesses leadership capabilities and a high level of emotional intelligence.

ii) Relevant experience and expertise

- He/she 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.

iii) Relevant past performance or track record

- He/she 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/she possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

3.2.3 Time and commitment

i) Ability to discharge role having regard to other commitments

- He/she 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).

ii) Participation and contribution in the Board or track record

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

3.3 A person who has been identified for appointment as a Director or for re-election as a Director within the Group 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 form as the NC may from time to time prescribe or approve.