



**EDEN INC. BERHAD**

[Registration No. 197701005144 (36216-V)]

**FIT AND PROPER POLICY**

Dated: 1 July 2022



**EDEN INC. BERHAD**

[Registration No. 197701005144 (36216-V)]

**FIT AND PROPER POLICY**

**TABLE OF CONTENT**

No	Item	Page
1.	Introduction	1
2.	Objective	1
3.	Scope	2
4.	Fit and Proper Criteria	2 - 4
5.	Assessment of Candidate	4
6.	Review of the Policy	4



**EDEN INC. BERHAD**

[Registration No. 197701005144 (36216-V)]

## **FIT AND PROPER POLICY**

### **1. INTRODUCTION**

- 1.1 Paragraph 15.01A of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Berhad ("**Bursa**") has set out that a listed issuer must comply the following requirements:-
  - a) Have a fit and proper policy for the appointment and re-election of Directors of the listed issuer and its subsidiaries;
  - b) Ensure the policy addresses board quality and integrity and will aid the listed issuer to comply with paragraph 2.20A of MMLR; and
  - c) Make available the policy on its website
- 1.2 Pursuant to Paragraph 2.20A of MMLR, every listed corporation, management company or trustee-manager must ensure that each of its Directors, chief executive or chief financial officer has the character, experience, integrity, competence and time to effectively discharge his role as a Directors, chief executive or chief financial officer, as the case may be, of the listed corporation, collective investment scheme or business trust.
- 1.3 Practice 5.5 of the Malaysian Code on Corporate Governance 2021 ("**MCCG**") also provides that the appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a Director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.
- 1.4 As such, Eden Inc. Berhad ("**the Company**") has adopted the Fit and Proper Policy ("**the Policy**") to comply with the Bursa's requirements and to be in line with the MCCG.

### **2. OBJECTIVE**

- 2.1 To ensure compliance with the Paragraph 15.01A of the MMLR.
- 2.2 To set out the criteria for selection of candidates that are proposed to be appointed as Directors of the Company and its subsidiaries as well as Directors who are seeking for re-election.
- 2.3 To guide the Nomination and Remuneration Committee ("**NRC**") and the Board of Directors ("**the Board**") in their review and assessment of potential candidates.
- 2.4 The NRC is responsible to assess the candidates and make relevant recommendation to the Board on the proposal regarding appointment and re-election of Directors.



**EDEN INC. BERHAD**

[Registration No. 197701005144 (36216-V)]

## **FIT AND PROPER POLICY**

### **3. SCOPE**

3.1 The policy shall apply to the appointment and re-election of Directors of the Company and its subsidiaries.

The policy shall take effect from 1 July 2022 and will continue to be in force unless varied and revoked by the Board of Directors.

### **4. FIT AND PROPER CRITERIA**

In assessing if a candidate meets the criteria under the Policy, the NRC should consider the following criteria:-

- 1) Character and Integrity;
- 2) Experience and Competency; and
- 3) Time and Commitment

#### **4.1 Character and Integrity**

##### **a) Probity:**

- i) Compliance with legal obligations, regulatory requirements and professional standards;
- ii) Has not been obstructive, misleading, or untruthful in dealings with regulatory bodies or courts; and
- iii) Has not been reprimanded or disqualified or removed by any professional or regulatory body in relation to matters pertaining to the person's honesty, integrity, or business conduct.

##### **b) Personal Integrity:**

- i) Has not perpetrated or participated in any business practices which are deceitful, oppressive, or improper (whether unlawful or not), or which otherwise reflect discredit on his/her professional conduct;
- ii) Service contract (i.e. in the capacity of management or Director) had not been terminated in the past due to concerns on personal integrity; and
- iii) Has not abused other positions (i.e. that he/she has held) in a manner that contravenes the principles of good governance and professional ethics.

##### **c) Financial Soundness:**

- i) Manages personal debts or financial affairs satisfactorily; and
- ii) Demonstrates ability to fulfil personal financial obligations as and when they fall due.



**EDEN INC. BERHAD**

[Registration No. 197701005144 (36216-V)]

### **FIT AND PROPER POLICY**

**d) Good Reputation:**

- i) Has good repute in the financial and business community;
- ii) Has not been subjected to any civil or criminal proceedings or enforcement action, in managing or governing an entity for the past ten (10) years;
- iii) Has not been reprimanded by the Securities Commission Malaysia, Bursa Malaysia Securities Berhad, Companies Commission of Malaysia or any other regulatory authorities for the past ten (10) years; and
- iv) 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.

#### **4.2 Experience and Competence**

**a) Qualifications, training and skills:**

- i) Has a relevant education qualification to the skill set that the Director is expected to bring to the boardroom (i.e. a match to the board skill set matrix);
- ii) Has a considerable understanding of the business and workings of a corporation;
- iii) Possesses general management skills as well as understanding of corporate governance and sustainability issues;
- iv) Maintains knowledge current based on continuous professional development;
- v) Possesses leadership capabilities and a high level of emotional intelligence; and
- vi) Possesses financial literacy especially being able to read and understand financial statements.

**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:**

- i) Possesses a relevant career background of occupying high-level positions in a comparable organisation, and was accountable for driving or leading the organisation's governance, business and/or financial performance or operations; and
- ii) Possesses a commendable past performance record as gathered from the results of the Board effectiveness evaluation.



**EDEN INC. BERHAD**

[Registration No. 197701005144 (36216-V)]

## **FIT AND PROPER POLICY**

### **4.3 Time and Commitment**

**a) Ability to fulfil role despite 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:**

- i) Demonstrates willingness to participate actively in Board activities;
- ii) Demonstrates willingness to devote time and effort to understand the businesses and express readiness to participate in events outside the boardroom;
- iii) Manifests passion in the vocation of a Director;
- iv) Exhibits ability to articulate views independently, objectively, and constructively; and
- v) Exhibits open-mindedness to the views of others and ability to make considered and sound judgment after hearing the views of others.

## **5. ASSESSMENT OF CANDIDATE**

5.1 The NRC shall assess each candidate for new appointment as Directors based on the Fit and Proper criteria as stipulated in Clause 4 of this Policy before recommending to the Board for approval.

5.2 For the re-election of Directors, the annual evaluation of the Directors based on the Self Performance Evaluation Form shall include the fit and proper criteria to ensure they meet the criteria on a continuing basis. The NRC shall make recommendation of Directors based on the results of the evaluation.

5.3 The Company shall exercise the assessment in the best interest of the Company.

## **6. REVIEW OF THE POLICY**

The NRC shall with the assistance of Management recommend any changes to the Policy as and when required, and may from time to time recommend the proposed changes to the Board. The Policy shall be updated where necessary align with best practices and ensure full regulatory compliance.

Adopted by the Board: 1 July 2022