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|  | ROSADO TRADELINE SDN BHD | Doc. No. | RT-G002 |
| | | Rev. No. | - |
| | FIT & PROPER POLICY | Eff. Date | 01/10/2025 |

RT-G002
**FIT & PROPER
POLICY**



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REVISION HISTORY

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1.0 INTRODUCTION

The Group's Fit and Proper Policy for Directors ("**Policy**") is to ensure a transparent and rigorous process for the appointment and re-election of directors of the Group.

This Policy sets out the criteria for the appointment and re-election of Directors of the Group and ensure compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

2.0 PURPOSE

This Policy serves as a guidance to the Nomination Committee of the Rosado and the Board of Directors ("**Board**") in their review and assessment of potential candidates for appointment to the Board as well as the retiring Directors who are seeking re-election at the annual general meeting.

This Policy aims to ensure that the Directors of the Group comply with the Listing Requirements, and possess the character, integrity, knowledge, experience, competence and time commitment to effectively and diligently perform 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 DUTIES AND RESPONSIBILITIES

3.1 The Board

The Board is ultimately responsible for ensuring that all existing Directors of the Group seeking for re-appointment or candidates for nomination or appointment as a Director of the Group fulfil the fit and proper requirements, and for conducting assessments of the fitness and propriety of Directors of the Group.

The Board is to provide a statement as to whether it supports the appointment of the candidate as Director of the Company or reappointment of the existing Director of the Company and the reasons, including the results of the review and assessment.


3.2 Nomination Committee ("NC")

The Board delegates the duty to perform fit and proper assessment to the NC based on the fit and proper criteria as stated in Section 4 – Fit and Proper Criteria and making recommendations to the Board on these matters for its review and decision

4.0 FIT AND PROPER CRITERIA

The NC and the Board shall consider, among others, the following factors in determining the relevant person's appointment or re-election to the Board:

- (i) Character and integrity
- (ii) Financial integrity
- (iii) Competence and capability
- (iv) Time and commitment

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4.1 Character and integrity

(a) Probity

- Is compliant with legal and regulatory requirements as well as professional standards; and
- Has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.

(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/her professional conduct;
- service/employment contract (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 (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance.

(c) Good reputation

- has a good reputation in the financial and business community;
- has not been subjected to civil or criminal proceedings, enforcement actions or subject to any public sanctions or penalty imposed by the relevant regulatory bodies 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.

4.2 Financial Integrity


Financial integrity is demonstrated by a person who manages his/her own financial affairs properly and prudently. The NC and the Board must consider all relevant factors, including but not limited to the following:

- manages personal debts or financial affairs satisfactorily;
- demonstrates ability to fulfil personal financial obligations as and when they fall due; and
- has not been the subject of any proceedings by a court of law for any sum or debt owed which is unsatisfied or has been the subject of a judgement debt which is unsatisfied, either in whole or in part

4.3 Competence and capability

(a) Qualifications, training and skills

- possess qualification that is relevant to the skill set that the Director is earmarked to bring to bear onto the Board.

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- have a considerable understanding of the workings of a corporation.
- possess general management skills as well as understanding of good corporate governance and sustainability best practices.
- financial literacy especially able to read and understand financial statements.
- keep knowledge current based on continuous professional development.
- possess leadership capabilities and a high level of emotional intelligence.

(b) Relevant experience and expertise

- possess 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

- had careers of occupying a high-level position in a comparable organisation and were accountable for driving or leading the organisation's governance, business performance or operations.
- possess commendable past performance record as gathered from the results of the board's effectiveness evaluation.

4.4 Time and commitment

(a) Ability to discharge role having regard to other commitments

- able to devote time as member of the Board, having considered other outside obligations including concurrent board positions held by the Directors across listed issuers and non-listed entities (including not for-profit organisations).

(b) Participation and contribution in the Board or track record

- demonstrate willingness to participate actively in Board activities.
- demonstrate willingness to devote time and effort to understand the businesses and exemplify readiness to participate in events outside the boardroom.
- manifest passion in the vocation of a Director.
- exhibit ability to articulate views independently, objectively and constructively.
- exhibit open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

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, using such form that the Nomination Committee may recommend from time to time

5.0 REVIEW OF THE POLICY

The Board will review this Policy from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law