

	STRATUS GLOBAL HOLDINGS BERHAD	DOC. NO.	SGH-006-DFPP
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1.0 Purpose

- 1.1 The Board of Directors (the “Board”) of Stratus Global Holdings Berhad (the “Company” or “STRATUS”) and its subsidiaries (collectively “the Group” or “STRATUS Group”) are committed to best practice in corporate governance by ensuring that all the directors of the Company and its subsidiaries (the “Group”) possess the character, experience, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Group and its stakeholders.
- 1.2 This Directors’ Fit and Proper Policy (the “Policy”) sets out the fit and proper criteria for appointment and re-election of directors of the Group (collectively “Directors” and individually “Director”). The Policy serves as a guide to the Board and the Nomination Committee (“NC”) in the review and assessment of candidates that are to be appointed as new Director to the Board as well as existing Directors who are seeking re-election.

2.0 Scope

- 2.1 This Policy is applicable to all directors of STRATUS Group.

3.0 Definition

- 3.1 “**Independent Director**” as defined under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Burs Securities”) [hereinafter referred to as “Listing Requirements”] It refers to 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 STRATUS. Without limiting the generality of the foregoing, an independent director is one who:
 - a) is not, and has not been within the last 3 years, an officer of STRATUS or any related corporation (each corporation is referred to as “said Corporation”), excluding as an independent director in any one or more of the said Corporations for a cumulative period of less than 12 years;
 - b) is not a major shareholder of the said Corporation;
 - c) is not a family member of any executive director, officer or major shareholder of the said Corporation;
 - d) is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
 - e) has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Securities, 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 Bursa Securities;
 - f) has not engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities, or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of STRATUS) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities; or
 - g) has not served as an independent director in any one or more of the said Corporations for a cumulative period of more than 12 years from the date of his or her first appointment as an independent director.
- 3.2 “**Officer**” refers to the meaning given in Section 2 of Companies Act 2016, which includes:
 - a) any director, secretary or employee of the Company;

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- b) a receiver and manager of any part of the undertaking of the Company appointed under a power contained in any instrument; and
- c) any liquidator of a company appointed in a voluntary winding up, but does not include:
- i) any receiver who is not also a manager;
 - ii) any receiver and manager appointed by the Court; or
 - iii) any liquidator appointed by the Court or by the creditors.

4.0 Responsibilities

- 4.1 The Board is primarily responsible for ensuring that all Directors fulfil fit and proper requirements and that each Director possesses the appropriate skill and experience commensurate with the role that he/she holds, and will make all final determinations on the fitness and propriety of each Director.
- 4.2 The NC is responsible for making assessments of candidates being considered for nomination or appointment as Directors, including re-appointment or re-election of existing Directors, as well as making recommendations to the Board based on such assessments.
- 4.3 The Company Secretary is responsible for the overall application of this Policy, which entails the following:
- a) Ensuring that appropriate fit and proper assessments are carried out for each Director candidate;
 - b) Making submissions on any matters relevant to a particular assessment of a candidate's fitness and propriety;
 - c) Providing information to the NC on matters concerning the procedures for fit and proper assessments;
 - d) Ensuring that the Group takes all reasonable steps to protect the information and documents collected for fit and proper assessments from misuse, unauthorised access, modifications or disclosure; and
 - e) Keeping and maintaining the list(s) of all current Directors, in addition to details of the competencies and training required for each Director.

5.0 Fit and Proper Criteria

- 5.1 For the purpose of establishing whether a candidate is fit and proper to hold directorship in the Group, the Group shall have regard to the following qualities of the said candidate: -
- Character and integrity;
 - Experience and competence; and
 - Time and commitment.
- 5.2 The assessment of the above qualities shall have regard to the considerations set out in Section 5.3 to Section 5.5 of this Policy, in addition to the required skill sets to be considered for any new appointment of Director. For appointment of Independent Directors, the requisite independence criteria as stipulated in the Listing Requirements shall also apply.

5.3 Character and Integrity

a)	Probity	☐ The person is compliant with the legal obligations, regulatory requirements and professional standards, where applicable.
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		☐ The person has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.
b)	Personal Integrity	☐ The person has not perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on their professional conduct. ☐ The person's service contract (i.e. in the capacity of management or as a director) had not been terminated in the past due to concerns about their personal integrity. ☐ The person has not abused other positions that they have held (i.e. political appointment or in other organisation) in a manner that contravenes the principles of good governance.
c)	Financial Integrity	☐ The person manages personal debts or financial affairs satisfactorily. ☐ The person demonstrates ability to fulfil personal obligations as and when they fall due.
d)	Reputation	☐ The person is of good repute in the financial and business community. ☐ The person has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years. ☐ The person 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.

5.4 Experience and Competence

a)	Qualifications, training and skills	☐ The person possesses education qualification that is relevant to the skill set that such director is earmarked to bring to bear onto the boardroom (i.e. a match to the Board skill set matrix). ☐ The person has a considerable understanding of the business and workings of a corporation. ☐ The person possesses general management skills as well as understanding of corporate governance and appreciation of sustainability issues. ☐ The person keeps knowledge current based on continuous professional development. ☐ The person possesses leadership capabilities and a high level of emotional intelligence.
b)	Relevant experience and expertise	☐ The person 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	☐ The person 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. ☐ The person possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.
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5.5 Time and Commitment

a)	Ability to discharge role having regard to other commitments	☐ The person is able to devote time as a Board member, having factored other outside obligations including concurrent Board positions held by the director across public listed companies and non-listed companies (including non-profit organisations).
b)	Participation and contribution in the Board or track record	☐ The person demonstrates willingness to participate actively in Board activities. ☐ The person demonstrates willingness to devote time and effort to understand the business and exemplifies readiness to participate in events outside the Boardroom. ☐ The person manifests passion in the vocation of a director. ☐ The person exhibits ability to articulate views independently, objectivity and constructively. ☐ The person exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

6.0 Fit and Proper Assessment

- 6.1 The NC shall assess each candidate for a new appointment or election (including reappointment or re-election) of Directors based on the fit and proper criteria set out in this Policy before recommending the appointment or election (including re-appointment or re-election) to the Board for approval. The NC has the power not to recommend to the Board the appointment, re-appointment, election or re-election of candidates who do not meet the policy requirements.
- 6.2 The information gathered from the assessments shall be for the Board and the NC's strict use for the purpose of assessment and shall not be disclosed or provided to any other party.
- 6.3 A candidate's failure to meet one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The NC will consider the specific circumstances surrounding a candidate's failure to meet specific factors, including the lapse of time since the occurrence of events, other contributing factors, and the significance of the event from the perspective of potential risks posed to the Group.
- 6.4 The fit and proper assessment on an existing Director may also be conducted whenever the Group becomes aware of information that may materially compromise the Director's fitness and propriety

7.0 Procedure Details

- 7.1 Appointment of Director

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- 7.1.1 Each candidate is required to complete and execute the Director's Fit and Proper Declaration Form (the "Declaration"). By executing the Declaration, the candidate(s) will authorize the Group to perform such as verification through Companies Commission (SSM), CTOS/CCRIS checks, litigation searches and references from regulatory bodies or prior employers., if necessary, which may cover prior employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.
- 7.1.2 For the appointment of Independent Director, the candidate is also required to complete the Independent Directors' Self-Assessment Form.
- 7.1.3 Based on the submitted forms, the NC shall assess and evaluate individually and collectively whether the candidate fulfils the fit and proper criteria as stated in this Policy.
- 7.1.4 If the assessment and evaluation result are satisfactory, the NC will recommend the candidate's appointment as a new Director of the Group to the Board for deliberation and approval.
- 7.1.5 All assessment records and supporting documents must be retained for at least 7 years.
- 7.1.6 All information obtained in the course of the fit and proper assessment shall be treated as confidential and handled in compliance with the Group's Personal Data Protection Policy and the Personal Data Protection Act 2010 (PDPA).

7.2 Re-appointment or re-election of Director

- 7.2.1 A Director seeking re-appointment or re-election is required to complete and execute the Director's Fit and Proper Declaration Form.
- 7.2.2 For re-appointment or re-election of Independent Director, the Director is also required to complete the Independent Directors' Self-Assessment Form.
- 7.2.3 Based on the submitted forms and results of annual board evaluation, the NC shall assess and evaluate individually and collectively whether the Director fulfils the fit and proper criteria as stated in this Policy.
- 7.2.4 If the assessment and evaluation result is satisfactory, the NC will recommend the reappointment of the Director to the Board for deliberation and approval.

7.3 Required Notification

- 7.3.1 As soon as possible after a candidate is nominated or proposed for election or appointment as a Director, the Group will make available to that candidate a copy of this Policy and the details of the required competencies and training relevant for the Director. This Policy will also form part of the induction process for all Directors.
- 7.3.2 The Group will also take reasonable steps to ensure that each Director is aware of and fully understands this Policy, and that each Director receives a copy of the Policy before any assessment of their suitability to hold directorship in the Group is conducted.

7.4 Annual Declaration

- 7.4.1 Notwithstanding the re-election cycle, all Directors shall undergo an annual Fit and Proper assessment. This shall be conducted alongside the Annual COI Declaration to ensure continuous suitability in terms of character, integrity, and competency.

8.0 Review and Approval of the Policy

- 8.1 This Policy shall be reviewed by the Nomination Committee at least once every three (3) years or earlier whenever necessary to ensure continued relevance and compliance with the MCGG, Listing Requirements, and any other applicable regulatory guidelines.

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- 8.2 The NC shall recommend any change to this Policy as the NC deems appropriate to the Board for approval. The terms of this Policy shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements or any other regulatory requirements.
- 8.3 Upon the Board's approval, the said revision or amendment shall form part of this Policy and this Policy shall be considered duly revised or amended.
- 8.4 The duly revised or amended Policy shall be disclosed on the Group's website.

9.0 Reference Records

- 9.1 Director's Fit and Proper Declaration Form
- 9.2 Independent Directors' Self-Assessment Form

10.0 Consequences of Non-Compliance

- 10.1 The Board, through the Nomination Committee (NC), shall have the authority to take appropriate action if a Director is found to no longer meet the fit and proper criteria or has failed to comply with the disclosure requirements of this Policy.
- 10.2 Depending on the nature and severity of the non-compliance, the Board may implement the following measures:
- 10.2.1 Remedial Training
Where a Director is found to have a gap in specific knowledge or skills, the NC may mandate attendance at specific training programs within a set timeframe.
- 10.2.2 Enhanced Monitoring
For minor administrative breaches or potential conflicts, the Director may be placed under enhanced oversight, including recusal from specific boardroom discussions or additional reporting requirements.
- 10.2.3 Suspension
In the event of an ongoing investigation into a material breach of integrity or conduct, the Board may suspend the Director from their duties until a final determination is made.
- 10.2.4 Removal
For grave breaches that irreconcilably compromise their fitness, the Board shall initiate proceedings for the Director's removal in accordance with the Companies Act 2016 and the Company's Constitution.

The Policy was reviewed and approved by the Board on 28 November 2025.