



BERJAYA

BERJAYA FOOD BERHAD

[Registration No. 200901032946 (876057-U)]

DIRECTORS' FIT AND PROPER POLICY

DIRECTORS' FIT AND PROPER POLICY ("POLICY")

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PART A OVERVIEW

1. PURPOSE

- 1.1 This Directors' Fit and Proper Policy ("Policy") sets out the fit and proper criteria for the appointment and re-election of directors to the boards of BERJAYA FOOD BERHAD ("BFOOD" or the "Company") and its subsidiaries. This Policy is intended to assess whether the directors of BFOOD and its subsidiaries are fit and proper to provide effective and strategic leadership to the group.
- 1.2 BFOOD requires that the directors on the boards of BFOOD and its subsidiaries are competent and suited to hold a position that can ensure that BFOOD and its subsidiaries remain viable in the larger context of the respective industry. The directors are also required to have the necessary qualities, qualifications, character, experience, integrity and time to effectively discharge his/her role as a director of BFOOD and its subsidiaries.

2. OBJECTIVE

- 2.1 This Policy serves as a guide to the Board of Directors ("Board") and Nomination Committee ("NC") in their review and assessment of candidates that are proposed to be appointed to the Board as well as directors who are seeking re-election to ensure effective implementation and compliance with the Policy pursuant to Paragraph 15.01A of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad.

The general criteria that form the overarching criteria in relation to the Policy are outlined below:

- a) Character and integrity
 - b) Experience and competence; and
 - c) Time and commitment
- 2.2 This Policy comes into force with immediate effect and will continue to be in force unless varied or revoked by the Board of BFOOD.

PART B FIT AND PROPER CRITERIA

3. SCOPE AND APPLICATION

- 3.1 In determining whether a person meets the fit and proper criteria, the considerations set out under this Policy should be assessed individually (according to their relative importance) as well as on a cumulative basis. Failure to meet one indicator may not, on its own, necessarily mean failure to meet the fit and proper criteria. The Board and NC should consider the specific circumstances surrounding a person's failure to meet specific criteria, including the lapse of time since the occurrence of events and the significance of the event from the perspective of potential risks posed to BFOOD. This process will involve a good measure of judgment, which must be exercised objectively and always in the best interests of BFOOD and its subsidiaries and the sound conduct of the business of BFOOD and its subsidiaries.
- 3.2 Considerations relevant to the assessment of the fitness and propriety of key responsible persons may vary depending on the degree of their influence and responsibilities in the affairs of BFOOD and its subsidiaries. For example, the Board and the NC should consider whether there have been material changes in the nature or scope of the responsibilities assumed by a person which would call for higher standards of competence or judgment in order to properly perform the duties associated with the position, or which may give rise to new conflicts that could impair the person's performance. Similarly, circumstances which warrant and the person to be considered as fit and proper may differ between positions and companies.

3.3 In assessing if a candidate meets the criteria under this Policy, the Board and NC should consider factors which includes but are not limited to the following:

(a) Character and integrity

(i) Probity

- is compliant with legal obligations, regulatory requirements and professional standards;
- has not been obstructive, misleading or untruthful in dealings with regulatory bodies or the courts,

(ii) 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 professional conduct;
- service contract (i.e. in the capacity of management or director) has not been terminated in the past due to concerns on personal integrity;
- 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

- Manages personal debts or financial affairs satisfactorily;
- Demonstrates ability to fulfil personal financial obligations, whether in Malaysia or elsewhere, as and when they fall due.

(iv) Reputation

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

(b) Experience and competence

(i) Qualifications, training and skills

- possesses education or academic qualification that is relevant to the skill set that the director is earmarked to bring into the boardroom (i.e. a match to the board skill set matrix);
- has considerable understanding on the workings of a corporation;
- possesses general management skills as well as understanding of corporate governance and sustainability issues;
- keeps knowledge current based on continuous professional development;
- possesses leadership capabilities and a high level of emotional intelligence.

(ii) 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.

(iii) Relevant past performance or track record

- had a career of occupying a high-level position in a comparable organization, and was accountable for driving or leading the organization's governance, business performance or operations;
- possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

(c) **Time and commitment**

(i) Ability to discharge a director's role having regard to other commitments

- able to devote time as a board member, having factored in other outside obligations including concurrent board positions held by the director across listed issuers and non-listed entities (including non-profit organizations).

(i) Participation and contribution in the board or track record

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

PART C ASSESSMENT

4. ASSESSMENT FOR NEW APPOINTMENT AND RE-ELECTION OF DIRECTORS

- 4.1 The NC is responsible to assess each person based on the fit and proper criteria as set out under paragraph 3.3 of this Policy before making the relevant recommendation to the Board on the proposal regarding new appointment and re-election of directors for approval. The Board is to approve such proposal and where relevant, make recommendation to the shareholders of the Company for approval at an extraordinary or annual general meeting.
- 4.2 For director(s) who are seeking re-election, he or she is required to complete the Directors' Evaluation Form.
- 4.3 For the appointment as a new director, the person is required to complete the Prospective Directors' Information and Declaration of Interests and the Fit and Proper Declaration Form.
- 4.4 The results of the assessments are part of BFOOD's internal documentation and shall not be disclosed or provided to any third party or parties unless required under applicable law or by a competent authority.

PART D REVIEW

5. REVIEW OF THE POLICY AND REPORTING REQUIREMENTS

- 5.1 The NC may recommend any change to the Policy as the NC deems appropriate to the Board for approval. The terms of the Policy shall be assessed, reviewed and updated periodically by the Board and be revised at any time as it may deem necessary in accordance with the relevant changes to the Malaysian Code on Corporate Governance, MMLR of Bursa Malaysia Securities Berhad or any other regulatory requirements.
- 5.2 Pursuant to Paragraph 15.08A (3) of the MMLR, BFOOD shall disclose in its annual report, a statement about the activities of NC in the discharge of its duties for the financial year which includes the application of the Fit and Proper Policy in the nomination and election of its directors, how the requirements set out paragraph 2.20A of the MMLR are met and contain the following information:
- (i) the policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of BFOOD;
 - (ii) the board nomination and election process of directors; and
 - (iii) the assessment undertaken by the nomination committee in respect of the performance of its board, committees and individual directors together with the criteria used for such assessment.
- 5.3 This Policy was approved and adopted by the Board on 16 August 2022 and a copy of this Policy will be made available on the Company's website.