



Farmiera Group of Companies
DIRECTORS' FIT AND PROPER POLICY

Objective

This policy functions as a guide for the Nomination Committee and the Board of Directors ("the Board") as they evaluate and assess candidates for Board appointment, as well as Directors seeking re-election. The policy outlines the criteria for the fitness and propriety of Directors' appointments and re-elections. The objective of this policy is to guarantee that each Director possesses the necessary character, integrity, a pertinent set of skills, knowledge, experience, competence, and time commitment to effectively fulfil their role and responsibilities as a Director.

This policy is applicable to Farmiera Berhad and its subsidiaries, collectively referred to as "Farmiera Group".

Criteria

The fit and proper criteria of a Director include but not limited to the following:

- Character and Integrity
 - (a) Probity
 - is compliant with legal obligations, regulatory requirements, and professional standards.
 - has not been obstructive, misleading, or untruthful in dealings with regulatory bodies or a court; and
 - has not been reprimanded or disqualified or removed by a professional or regulatory body in relation to matters pertaining to the person's honesty, integrity, or business conduct.
 - (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 contract (i.e. in the capacity of management or Director) had not been terminated in the past due to concerns on personal integrity; and
 - 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 integrity
 - manages personal debts or financial affairs satisfactorily; and
 - demonstrates ability to fulfil personal financial obligations as and when they fall due.
 - (d) Good 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 reprimanded by the Securities Commission Malaysia, Bursa Malaysia Securities Berhad, Companies Commission of Malaysia or any other regulatory authorities for the past 10 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.

- Experience and competence
 - (a) Qualifications, training, and skills
 - 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);
 - has a considerable understanding on the business and 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; and
 - financial literacy especially 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
 - 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; and
 - possesses commendable past performance record as gathered from the results of the Board effectiveness evaluation.
- Time and commitment
 - (a) Ability to discharge role having regard to 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
 - 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; and
 - exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others

- Review of the policy
 - The effectiveness of this policy will be assessed as needed. The Nomination Committee will examine potential revisions and propose any necessary changes to the Board for approval (if applicable).