DIRECTORS' FIT AND PROPER POLICY

FARM FRESH BERHAD
(formerly known as The Holstein Milk Company Sdn. Bhd.)
Directors' Fit and Proper Policy

1. The Board

1.1 The Board of Directors of the Company ("the Board") has adopted a **fit and proper policy** for the appointment and re-election of Directors ("Policy") of the Company and its subsidiaries ("Group").

1.2 This Policy will enhance the governance of the Company in relation to the Board's quality and integrity, as well as ensure that each of its Directors has the character, experience, integrity, competence, time and commitment to effectively discharge his/her role as a Director.

1.3 The Board shall ensure that the fit and proper criteria on the appointment and re-election of Directors of the Group set out in Paragraph 2 are applied on a continuing basis.

1.4 The Board and the Nominating Committee shall conduct the fit and proper assessment prior to the appointment of any candidate as a Director, or making recommendation for the re-election of an existing Director.

2. The Fit and Proper Criteria

The assessment procedures shall be in a form of due diligence taking into account the following fit and proper criteria conducted by the Nominating Committee and declarations by each individual candidate or Director that:

A. Character and Integrity

i) Probity

- he/she is compliant with legal obligations, regulatory requirements and professional standards; and
- he/she has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.

ii) Personal integrity

- he/she 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;
- his/her 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
- he/she 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

- he/she manages personal debts or financial affairs satisfactorily and with good financial standing based on report from a credit rating agency; and
- he/she demonstrates ability to fulfil personal financial obligations as and when they fall due.

iv) Reputation

- he/she is of good repute in the financial and business community;
- he/she has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years; and
- he/she has not been substantially involved in the management of a business or company which has failed (including a GN3 or PN17 company), where that failure has been occasioned in part by deficiencies in that management.

B. Experience and Competence

i) Qualification, training and skills

- he/she 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);
- he/she has a considerable understanding on the workings of a corporation;
- he/she possesses general management skills of at least 5 years as well as understanding of corporate governance and sustainability issues;
- he/she keeps knowledge current based on continuous professional development; and
- he/she possesses leadership capabilities and a high level of emotional intelligence.

ii) Relevant experience and expertise

- he/she 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 experience or track record

- he/she had a career of a senior management or high level position in a comparable organisation for at least 5 years, and was accountable for driving or leading the organisation's governance, business performance or operations; and
- he/she possesses commendable past performance record as gathered from the results of the Board Effectiveness Evaluation or based on the financial and non-financial performance of the corporation where the person identified for appointment as a director was involved.

C. Time and Commitment

i) Ability to discharge role having regard to other commitments

- he/she is able to devote time as a Board member, having factored other outside obligations including existing board positions held by the Director in other listed issuers (taking into consideration his board attendance records) and non-listed entities (including not-for-profit organisations).

ii) Participation and contribution in the Board or track record (applicable for re-election of exiting directors only)

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

This **Policy** was adopted by the Board on 24 May 2022 and is made available on the Company's website at http://www.farmfresh.com.my