



DUTCH LADY MILK INDUSTRIES BERHAD
Co. Reg 196301000165 (5063-V)
DIRECTORS' FIT AND PROPER POLICY

1. PURPOSE

- 1.1 This Policy sets out the fit and proper criteria for the appointment and re-appointment of Directors on the Board of Dutch Lady Milk Industries Berhad ("DLMI").
- 1.2 With this Policy, the Board seeks to ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director of DLMI.
- 1.3 This Policy will also serve as a guide to the Nominating & Remuneration Committee ("NRC") and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for re-election or re-appointment. For candidates that are to be appointed onto the Board, the NRC will consider if the candidates have demonstrated the ability to meet the criteria set out in Paragraph 2.1.

2. CRITERIA

- 2.1 For the purpose of establishing whether a person is fit and proper to hold Directorship in DLMI, the Company shall have regard to the person's: (a) Character and integrity; (b) Experience and competence; and (c) Time and commitment.

(a) Character and integrity

(i) Probity

- The person must be compliant with legal obligations, regulatory requirements and professional standards





- The person has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court

(ii) 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 reflects unprofessional conduct
- The person has not had his/her service contract (i.e. in the capacity of management or director) terminated in the past due to concerns on personal integrity
- The person 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

- The person is able to manage personal debts or financial affairs satisfactorily
- The person demonstrates the ability to fulfil personal financial obligations as and when they fall due

(iv) 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

(b) Experience and competence





(i) Qualifications, training and skills

- The person has the appropriate qualification, training, skills, practical experience and commitment to effectively fulfil the role and responsibilities of the board position
- The person has a considerable understanding on the workings of a corporation
- The person possesses general management skills as well as understanding of corporate governance and sustainability issues
- The person keeps knowledge current based on continuous professional development
- The person possesses leadership capabilities and a high level of emotional intelligence

(ii) 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, as well as reporting lines and delegated authorities

(iii) Relevant past performance or track record

- The person had occupied high-level position in a comparable organization, and was accountable for driving or leading the organization's governance, business performance or operations
- The person possesses commendable performance record as gathered from the results of board effectiveness evaluations

(c) Time and commitment

(i) 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 across listed companies and non-listed companies (including not-for-profit organizations)
- (ii) 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 businesses and exemplifies readiness to participate in events outside the boardroom
 - The person has passion in the vocation of a director
 - The person exhibits ability to articulate views independently, objectively and constructively
 - The person exhibits open mindedness to the views of others and ability to make considered judgement after hearing the views of others

3. THE ASSESSMENT

- 3.1 Each candidate for a new appointment or re-appointment as a Director will be asked to make a self-assessment and self-declaration based on the criteria set under Paragraph 2.1. When assessing each candidate for a new appointment or re-appointment of Directors, the NRC will take into account this self-assessment and self-declaration before recommending to the Board for approval. For the appointment of a new Independent Director, the NRC will also have reference to the necessary checks carried out by the Company and/or recruitment agency with regards to the candidate's background, education qualifications, work experience, bankruptcy status, previous convictions for offences, etc.





- 3.2 The results of the assessments are confidential and shall not be disclosed or provided to any external parties, apart from references to the results in a general or aggregated manner which shall not disclose an individual director's results.

4. REVIEW OF THE POLICY

- 4.1 The NRC shall recommend any change to the Policy as the NRC deems appropriate to the Board for approval. The terms of the Policy shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements.

Date: 19 November 2024

