



**Nestlé** Good food, Good life

NESTLÉ (MALAYSIA) BERHAD

Registration No.: 198301015532 (110925-W)

## **DIRECTORS' FIT AND PROPER POLICY**



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## 1. OVERVIEW

This document sets out the Directors' Fit and Proper policy of Nestlé (Malaysia) Berhad ("the "Company") (the "Policy") for the review and assessment of potential candidates to be appointed to the Company's Board of Directors and for Directors eligible for re-election.

The Policy is designed to ensure that all members of the Board have the necessary qualities, competencies, experience and time commitment for the effective and efficient functioning of the Board and the Board Committees.

In line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance issued by the Securities Commission, the Company is committed to adopting the best corporate governance practices.

## 2. FIT AND PROPER CRITERIA

The Governance, Nomination and Compensation Committee, in conducting the fit and proper assessment, shall be guided by the overarching criteria as defined and set out in the Corporate Governance Guide issued by Bursa Malaysia Berhad<sup>1</sup>. The Fit and Proper criteria to be assessed are outlined below:

- **Character and Integrity**
  - i. Probity
  - ii. Financial Integrity
  - iii. Personal Integrity
  - iv. Reputation
  
- **Experience and Competence**
  - i. Qualification, training and skills
  - ii. Relevant experience and expertise
  - iii. Relevant past performance or track record
  
- **Time and Commitment**
  - i. Ability to discharge role having regard to other commitments
  - ii. Participation and contribution in the board or track record

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<sup>1</sup> [Bursa-CG-Guide.pdf \(bursa-malaysia\)](#)



### 3. APPOINTMENT AND RE-ELECTION OF DIRECTORS

#### a) Proposed Candidates to the Board

The Governance, Nomination and Compensation Committee shall conduct due diligence on the proposed candidates to the Board and an assessment based on the Fit and Proper criteria as set out above prior to recommending the candidates to the Board for approval.

#### b) Re-election as Director

Directors who are eligible for re-election shall be evaluated by the Governance, Nomination and Compensation Committee based on the annual Board Effectiveness Evaluation and the overarching Fit and Proper criteria as set out above prior to recommending the re-election to the Board for approval.

### 4. CONFIDENTIALITY

The Governance, Nomination and Compensation Committee and the Board acknowledge that all information and documents obtained for the purpose of assessment shall at all times be kept strictly confidential apart from references to the results in a general manner except or as required by law or best corporate governance practices.

### 5. REVIEW

It shall be the Governance, Compensation and Nomination Committee's responsibility to review and monitor the implementation of this Policy on a regular basis to reflect current best practices. The Governance, Compensation and Nomination Committee shall further discuss any amendments to this Policy that may be required and will recommend such amendments to the Board for approval.

**This Directors' Fit and Proper Policy was reviewed by the Governance, Compensation and Nomination Committee and approved by the Board and is made available on the Company's website.**