



WASCO BERHAD
(FORMERLY KNOWN AS
WAH SEONG CORPORATION BERHAD)

[Registration No. 199901020946 (495846-A)]

(Incorporated in Malaysia)

**DIRECTORS'
FIT AND PROPER
POLICY**

DIRECTORS' FIT AND PROPER POLICY

Introduction

The Company recognises the importance of making objective, meritorious and diversity-conscious decisions in the appointments of Board leadership positions and personnel holding key positions i.e. the Chief Executive Officers and Chief Financial Officers in the dynamic business and work environment in which the WASCO Group must steer in an agile, responsive and future-focused manner.

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 Malaysia on 28 April 2021, the Company is committed to adopt the best practices in corporate governance. The Policy set forth the fit and proper criteria for the appointment and re-appointment/re-election of Directors on the Board as well as the Chief Executive Officers and Chief Financial Officers of the Company and that of its subsidiaries ("WASCO Group").

Objective

The purpose of this Policy is to guide the Company's Nomination Committee, the Managing Director/Group Chief Executive Officer and Deputy Managing Director in the appointment and re-appointment/re-election of Directors, Chief Executive Officers and Chief Financial Officers of the WASCO Group based on a list of fit and proper criteria.

The Company aims to achieve the objective of having a team of credible, high calibre and performance, talented, dedicated Board members, Chief Executive Officers and Chief Financial Officers within the WASCO Group regardless of gender, ethnicity and age with the required merits, knowledge, character, experience, expertise, competencies, professionalism, integrity, ability and time to effectively and efficiently discharge their respective roles and duties and responsibilities entrusted by the stakeholders.

Scope

This Policy applies to the Board members, Chief Executive Officers and Chief Financial Officers within the WASCO Group (whether existing or new).

Procedure

The following procedures will be used when assessing an individual's right fitness and good and proper qualities:-

(a) **Nomination Committee**

The Nomination Committee is responsible for reviewing and assessing the existing and new Board members/candidates and the Chief Executive Officer and Chief Financial Officer of the Company for appointments, re-appointments/re-elections and to recommend to the Board of Directors for their approval.

DIRECTORS' FIT AND PROPER POLICY

(b) Managing Director/Chief Executive Officer and Deputy Managing Director

The Managing Director/Chief Executive Officer and Deputy Managing Director are responsible for the reviewing and assessing the existing and new candidates at the subsidiaries level for the positions on the Boards and the Chief Executive Officers and Chief Financial Officers respectively for the subsidiaries within the WASCO Group for appointments, re-appointments/re-election and to update the Nomination Committee accordingly.

Fit and Proper Criteria

The criteria is based on the 3 main components:-

1. Character and Integrity
 - Probity, Financial Integrity, Diligence and Reputation
2. Experience and Competency
 - Qualification, Experience, Skills, Expertise, Ability, Capability
3. Time and Commitment
 - Able to devote time and Commitment to deliver

The Assessment

In assessing the level of probity, financial integrity, diligence and reputation, the Nomination Committee, Managing Director/Chief Executive Officer and Deputy Managing Director should consider the following, including but not limited to:-

A. Character and Integrity

1. Has the individual contravened any provision of any laws, acts, regulations currently in force, especially arising from incompetency, malpractice, dishonesty and fraudulent act.
2. Has the individual been subjected to, notified of or currently being investigated under any proceeding of disciplinary or criminal in nature.
3. Has the individual contravened any requirements and standards of any regulatory or professional bodies and governmental agencies.
4. Has the individual been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary position resulting from honesty and integrity issues.
5. Has the individual been acting fairly, honestly and with integrity in his dealings with customers, employers, auditors and regulatory bodies and the authorities.
6. Has the individual contributed significantly to the failure of any organisations or business units.

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7. Has the individual displayed negative sentiments, strong objection or lack of willingness to cooperate with the authorities and in complying with legal, regulatory and professional requirements and standards including that of tax requirements and obligations.
8. Has the individual shown objection or lack of willingness to maintain effective internal control systems and risk management practices.
9. Has the individual been involved in any business or other relationship which could be in conflict of interest or interfere with the exercise of independent judgement when acting in the capacity of Chief Executive Officer and Chief Financial Officer within the WASCO Group.
10. Has the individual been able to fulfil his/her financial obligations, whether in Malaysia or elsewhere, as and when they fall due.
11. Has the individual been subjected to a judgement debt which is unsatisfied either in whole or in part, whether in Malaysia or elsewhere.
12. Has the individual been subjected to civil or criminal proceedings or enforcement action arising from the managing of financials or holding a fiduciary position in any organisation in the past 10 years.
13. Has the individual been an active politician.

B. Experience and Competency

1. Is the individual qualified, appropriately trained with the right skills, knowledge, expertise, professionalism, time and commitment to effectively carry out the role and responsibility of the position.
2. Is the individual experienced, with due consideration given to previous length of service, nature, size of business, responsibilities held, number of subordinates, reporting lines and delegated authorities.
3. Does the individual have relevant past performance or track record i.e. held high-level position in comparable organisation and was accountable for driving or leading the organisation's governance, business performance or operations and possesses commendable past performance record.

C. Time and Commitment

1. Is the individual able to discharge the role and function assigned to him/her and in the case of a Director, having regards to his/her other commitments.
2. Is the individual able to contribute, participate, perform and deliver.

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Review of the Policy

The terms of this Policy will be reviewed and updated from time to time to ensure that they are relevant and in line with the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance and all other relevant acts, rules and guidelines currently in force.

This Policy is available on the Company's website at www.wascoenergy.com