
FIT AND PROPER POLICY

1. INTRODUCTION

WTEC GROUP Berhad (“**Company**”) is obliged to formulate a fit and proper policy for the appointment, re-appointment and/or re-election of Directors of the Company and its subsidiaries (“**Group**”) pursuant to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**AMLR**”).

The Directors’ Fit and Proper Policy sets out the approach, guidelines and procedures to ensure a formal, rigorous and transparent process is being adhered for the appointment, re-appointment and/or re-election of the Directors of the Group.

2. OBJECTIVE

This policy serves as a guide to the Nomination Committee of the Company (“**NC**”), the Board of Directors (“**Board**”) and Management of the Group in conducting the necessary assessment on candidates before appointment, or on existing Directors of the Group seeking for re-appointment and/or re-election. It ensures that the Directors have the integrity and competence required to perform their roles as the Director of the company.

3. CRITERIA

The assessment of the candidates to be appointed as Directors of the Group and/or any existing Directors of the Group seeking for re-appointment and/or re-election should be assessed based on the following criteria:

a) Character and integrity

- Probity
 - Compliant with legal obligations, regulatory requirements and professional standards.
 - Has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.
- 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.
 - 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.

3. CRITERIA (CONT'D)

a) Character and integrity (Cont'd)

- Reputation
 - Is of good repute in the financial and/or 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, either in Malaysia or elsewhere.
 - 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.
- Financial integrity
 - Been and will be able to fulfil his/her financial obligations, whether in Malaysia or elsewhere, as and when they fall due;
 - Not made arrangements with creditors, filed for bankruptcy or been adjudged bankrupt or has assets sequestered; and
 - Been able to provide a satisfactory credit reference.

b) Competency and capability

- Qualifications, training and skills
 - Appropriate qualification, training, skills, practical experience and commitment to effectively fulfil the role and responsibilities of Directors of the Board, having regard to their other commitments;
 - Possesses general management skills as well as understanding of corporate governance and sustainability issues.
 - Possesses management and leadership capabilities and a high level of emotional intelligence.
- 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.
- 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.

c) Time and commitment

- Ability to discharge role having regard to other commitments
 - Able to devote sufficient time as a Board member, having factored other external obligations including concurrent board positions held by the Director across listed companies and/or non-listed companies (including not-for-profit organisations).
- 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.
 - Exhibits ability to articulate views independently, objectively and constructively.
 - Exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

4. FIT & PROPER PROCEDURES

- a) The fit and proper assessment on any Candidates or on any Existing Directors shall be conducted prior to recommending to the Board for consideration and approval.
- b) The assessment should take into consideration the suitability of Candidates against considerations such as competencies, commitment, contribution and performance, including the current composition of Board and Board committees (where applicable), mix of skills and experiences of Directors whilst taking into account the current and future needs of the Group, boardroom diversity (including gender diversity) and other soft attributes required as Directors. The assessment should be exercised objectively in the best interests of the Group.
- c) The evaluation will be based on the fit and proper criteria set out in Clause 3 above. The criteria shall be assessed individually, as well as collectively, taking into account their relative importance.

5. REVIEW OF THIS POLICY

The NC will review this policy periodically to ensure that it continues to remain relevant, appropriate and consistent with the Group's practices, Malaysian Code on Corporate Governance, AMLR or any other applicable regulatory requirements. Any revisions to this policy as recommended by the NC will be submitted to the Board of the Company for consideration and approval.

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