



WATTA HOLDING BERHAD

Registration No. 199401038699 (324384-A)

DIRECTORS' FIT AND PROPER POLICY

1. POLICY OBJECTIVE

- The objective of this Policy is to guide the Nomination Committee (“**the NC**”) and the Board in their review and assessment of potential candidates for appointment as Directors as well as Directors who are seeking for re-election in Watta Holding Berhad and/or its subsidiaries;
- This Policy is to ensure that Directors possess the good character, integrity, relevant skills, knowledge, experience, competence, capability and time commitment to participate and carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders; and
- The fit and proper criteria will be applicable at the time of appointment as a Director and on a continuing basis as all Directors of Watta Holding Berhad and/or its subsidiaries are expected to conduct themselves with highest integrity and professionalism as well as to comply with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

2. FIT AND PROPER CRITERIA

In assessing if a candidate meets the fit and proper criteria under this policy the NC and Board should consider factors which include but are not limited to the following:

2.1 Character and integrity

(a) Probity

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

(b) Financial Integrity

- manages personal debts or financial affairs satisfactorily.
- demonstrates ability to fulfil personal financial obligations as and when they fall due.

(c) 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 professional conduct.
- service contracts (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.

(d) Reputation

- is of good repute in the financial and 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.
- 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.

2.2 Experience and competence

(a) Qualifications, training and skills

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

(b) 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.

(c) Relevant past performance or track record

- has 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.
- possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

2.3 Time and commitment

(a) Ability to discharge role having regard to other commitments

- able to devote time as a Board member, having factored other outside obligations including concurrent board positions held by the Director across listed issuers and non-listed entities (including not-for-profit organisations).

(b) 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.
- manifests passion in the vocation of a Director.
- exhibits ability to articulate views independently, objectively and constructively.
- exhibits open mindedness to the views of others and ability to make considered judgement after hearing the views of others.

3. EVALUATION OF A CANDIDATE FOR DIRECTORSHIP OR RE-ELECTION/RE-APPOINTMENT OF DIRECTOR

- The NC will evaluate candidates for new appointment as Directors based on the fit and proper criteria as spelt out in 2. above before recommending to the Board for approval.
- For re-election/re-appointment of Directors, the Directors will be evaluated based on this Policy. The NC has the power not to recommend to the Board the re-election of retiring Directors who do not meet the policy requirements.
- For new appointments, the candidates are required to complete the Candidate for Directorship profile. The candidates will also be required to complete a self-declaration of fit and proper form and authorise the Company to perform background check, if necessary, which may cover previous employment verification, professional reference check, education confirmation and/or criminal record.
- The information gathered from the assessments shall be for the NC's strict use for the purpose of the assessment and not for public disclosure.

4. POLICY SUBJECT TO PERIODICAL REVIEW

- The NC is responsible for regular review of this Policy and recommending any changes as and when it deemed fit. This Policy shall be aligned to any legal or

regulatory changes and the best practices under the Malaysian Code on Corporate Governance, where appropriate.

- Any changes to the terms of this Policy shall be subject to the approval of the Board.

This Directors' Fit and Proper Policy has been approved and adopted by the Board on 26 May 2022.