

TASCO BERHAD

FIT AND PROPER POLICY

1.0 INTRODUCTION

TASCO Berhad (“TASCO” or “Company”) is committed to applying the Practice 5.5 of the Malaysian Code on Corporate Governance 2021 where the appointment of Directors of the Company and its subsidiary companies as well as Senior Management (collectively referred to as “Key Responsible Persons”) are to be based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. Directors appointed should be able to devote the required time to serve the board effectively. The Board shall consider the existing board positions held by a director, including on boards of its subsidiary companies. Any appointment that may cast doubt on the integrity and governance of the Company or its subsidiary companies should be avoided.

Individuals acting as “Key Responsible Persons” are required to possess the competence, character, diligence, honesty, integrity and judgement to perform properly the duties of that position, in tandem with good corporate governance practices. Accordingly, the Company must prudently manage the risk to its business or financial standing that persons acting in Key Responsible Person positions are fit and proper.

The purpose of the Fit and Proper Policy for Key Responsible Persons (the “Policy”), is to set out the Company’s approach to the assessment of the fitness and propriety of persons who hold, or who are to be appointed or elected to, a Key Responsible Person position.

2.0 DEFINITIONS

The following definitions shall apply throughout this Policy unless the context requires otherwise:

“Board”	:	Board of Directors of the Company
“Company”	:	TASCO Berhad
“Directors”	:	Directors of the Company and its subsidiary companies
“TASCO Group” or “Group”	:	TASCO Berhad and its subsidiary companies
“Key Responsible Persons”	:	key persons that are accountable or responsible for the management and oversight of TASCO Group. These comprise: <ul style="list-style-type: none">i. directors of TASCO Group;ii. Chief Executive Officers (CEO) of TASCO including CEO of subsidiary companies;iii. any person performing a senior management function who has primary or significant responsibility for the management and performance of significant business activities of TASCO Group; andiv. any person who has primary or significant responsibility for key control functions.
“NC”	:	Nomination Committee

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3.0 RESPONSIBILITY

3.1 The Board's Commitment and Responsibility

In the application of this Policy, the Board and NC are primarily responsible for ensuring that all Key Responsible Persons fulfil fit and proper requirements and for conducting assessments of the fitness and propriety of directors and the CEO as well as CEO of subsidiary companies. For other Key Responsible Persons, decisions on appointments and assessment of fit and proper may be made by the CEO or a designated committee under the delegated authority of the Board and NC.

The Board is committed to ensuring that each person who holds a Key Responsible Person position has the appropriate skill and experience commensurate with the role that they hold, and will make all final determinations on the fitness and propriety of responsible persons.

3.2 NC Responsibility

The NC is responsible for the assessment of existing directors or candidates for nomination or appointment as a director or senior management of the Company, and making recommendations to the Board on these matters.

4.0 FIT AND PROPER CRITERIA

For the purpose of establishing whether a person is fit and proper to hold a Key Responsible Person position, the Company shall have regard to the person's:

- (i) Probity, personal integrity and reputation - person must have the personal qualities such as honesty, integrity, diligence, independence of mind and fairness.
- (ii) Competence and capability - person must have the necessary skills, experience, ability and commitment to carry out the role.
- (iii) Financial integrity - person must manage his debts or financial affairs prudently.
- (iv) Time and commitment – person must have the time and commitment to attend to the Group's business.

These qualities are demonstrated over time and demand a disciplined and on-going commitment to high ethical standards. The Company will also look into past behaviour as insight into a person's future conduct. In the Company's assessment of a person's probity, reputation and integrity, the Company shall place emphasis on factors that are necessary and relevant to assess whether a person can hold a position of leadership in the Group.

The assessment of the above criteria shall have regard to the considerations set out below in paragraph 4.1 to 4.4 of this Policy.

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4.1 Probity, Personal Integrity and Reputation

In assessing a person's level of probity, integrity and reputation to hold a position of a Key Responsible Person, the NC should consider matters including, but not limited to the following:

Character and integrity	
i. Probity	<ul style="list-style-type: none"> is compliant with legal obligations, regulatory requirements and professional standards has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court
ii. Personal Integrity	<ul style="list-style-type: none"> 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 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
iii. Reputation	<ul style="list-style-type: none"> 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

4.2 Competence and capability

In assessing a person's competency and capability to hold a position of a Key Responsible Person, the NC should consider matters including, but not limited to the following:

Experience and competence	
i. Qualifications, training and skills	<ul style="list-style-type: none"> 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
ii. Relevant experience and expertise	<ul style="list-style-type: none"> 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.

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iii. Relevant past performance or track record	<ul style="list-style-type: none"> • 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. • possesses commendable past performance record as gathered from the results of the board effectiveness evaluation
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4.3 Financial Integrity

Financial integrity is demonstrated by a person who manages his own financial affairs properly and prudently.

In assessing a person's financial integrity, the NC must consider all relevant factors, including but not limited to the following:

- (i) whether the person has been and will be able to fulfil his financial obligations, whether in Malaysia or elsewhere, as and when they fall due; and
- (ii) whether the person has been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.

The fact that a person may be of limited financial means does not in itself, affect the person's ability to satisfy the financial integrity criteria.

4.4 Time and commitment

In assessing the time and commitment which a Key Responsible Person can allocate to the Group, the NC should consider matters including, but not limited to the following:

Time Management and commitment	
i. Ability to discharge role having regard to other commitments	<ul style="list-style-type: none"> • 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).
ii. Participation and contribution in the board or track record	<ul style="list-style-type: none"> • 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 judgment after hearing the views of others

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5.0 ASSESSING OF FITNESS AND PROPRIETY

- 5.1 The fit and proper assessment shall be conducted on Director(s) standing for re-election/re-appointment as well as candidate(s) identified for a new appointment as Director of the Company. The fit and proper assessment may also be conducted whenever the Company becomes aware of information that may materially compromise a director's fitness and propriety.
- 5.2 The Company shall consider the criteria set out in paragraph 4.1 and 4.4 above in assessing a director's fitness and propriety. The factors shall be assessed individually, as well as collectively, taking into account their relative importance. Failure to meet one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The Company will consider the specific circumstances surrounding a director's failure to meet specific factors, such as the lapse of time since the occurrence of events, other contributing factors and the significance of the event from the perspective of potential risks posed to the Company.
- 5.3 The Company should exercise the assessment objectively in the best interests of the Company and the sound conduct of the Company's business. In conducting the assessment, the Company should consider whether there have been material changes in the nature or scope of the responsibilities assumed by a director in which higher standards of competence or judgement are required in order to properly perform the duties associated with the said position.

6.0 IMPLEMENTATION, REVISION AND UPDATES

This Policy shall be assessed, reviewed and updated where necessary to align to the best practices and regulatory changes.

This policy was adopted on 30 June 2022.