

THIS POLICY APPLIES TO:

- MST Golf Group Berhad
(Registration No.: 199301009307 (264044-M))
- MST Golf Sdn Bhd
(Registration No.: 198901011987 (189294-P))
- MST Golf Management Sdn Bhd
(Registration No.: 200101013452 (549209-A))
- MST Golf Arena Sdn Bhd
(Registration No.: 199801015399 (471528-D))
- MST Golf (Singapore) Pte Ltd
(Registration No.: 200002124N)

Directors' & Senior Management's Fit & Proper Policy

ADOPTION & REVISION HISTORY:

Rev.	Effective Date	Description	Approved by
0	1 Feb 2023	Formal Adoption	Board of Directors

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1. INTRODUCTION

- 1.1. MST Golf Group Berhad ("Company") and its subsidiaries listed in the first page of this policy (collectively including the Company, "Group") are committed in meeting their obligation in complying with Paragraph 15.01A of the Main Market Listing Requirements ("MMLR") that a listed issuer must have a Fit and Proper policy for the appointment and re-election of directors of the listed issuers and its subsidiaries. The Group is cognizant that leaders of the Group need to possess the competence, character, diligence, honesty, integrity and judgement in order to perform their duties. The competency on any person who is identified as a "Key Responsible Person" position in the Group is crucial for the sustainable development of the Group and its board of directors ("Board") has set out this Fit and Proper Policy ("Policy") to codify the Group's approach to the assessment of the fitness and propriety of Key Responsible Persons.
- 1.2. This Policy is designed to mitigate the risks posed to the Group from having individuals who are not fit and proper to act in the position of a responsible person.

2. DEFINITION

- 2.1. The following definitions shall apply throughout this Policy:

"Key Responsible Persons" include the Directors and Key Senior Management.

"Directors" includes Executive Chairman, Managing Director ("MD"), Executive Director, Independent Non-Executive Director and Non-independent Non-Executive Director of the Company;

"Key Senior Management" shall refer to the MSTGGB's Leadership comprising the following:

- a) Group Chief Executive Officer ("CEO")
- b) Chief Operation Officer
- c) Chief Finance Officer
- d) Senior Marketing Manager
- e) Executive Director of MST Golf (S) Pte Ltd - Singapore Operations

3. RESPONSIBILITY

3.1. The Board's Commitment and Responsibility

- 3.1.1. In the application of this Policy, the Board is primarily responsible for ensuring that all Key Responsible Persons fulfill the fit and proper requirements and to conduct assessment for fitness and propriety of all Key Responsible Persons.
- 3.1.2. The Board is committed in ensuring that each Key Responsible Person has the appropriate skills and experience commensurate with the role that they hold and will make all final determinations on the fitness and propriety of Key Responsible Persons.

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3.2. **The Nomination Committee's ("NC") Responsibility**

- 3.2.1. The NC is responsible for the fit and proper assessment of the existing Key Responsible Persons or candidates to be appointed as Key Responsible Persons based on the fit and propriety standards and make recommendations to the Board on these matters. The responsibility to assess the fitness and propriety of Key Senior Management other than the Chief Executive Officer could be delegated by the NC to the Chief Executive Officer.
- 3.2.2. The NC is also responsible in addressing the gaps in the assessment process and ensuring that information and documents obtained and collected for fit and proper assessments are kept confidential.

4. **FIT AND PROPRIETY STANDARDS**

4.1. **Key Responsible Persons**

The Company is required to have Key Responsible Persons who have the attributes that enable the Company to properly discharge its duties and responsibilities in a prudent manner under this Policy. These include attributes that relate to character, integrity, experience, competence, diligence, honesty, judgement and relevant technical and financial qualifications, knowledge and skills.

4.2. **Fit and Proper Criteria**

For the purpose of establishing whether the Key Responsible Persons are fit and proper, the Company shall have regard to the person's:

- a) **Character and Integrity** - probity, personal integrity, financial integrity and reputation.
- b) **Experience and Competence** - qualifications, training and skills, relevant experience and expertise, relevant past performance or track record.
- c) **Time and Commitment** - ability to discharge role having regard to other commitments, participation and contribution in the board or track record.

The assessment to the above criteria shall have regard to the considerations set out below in Clauses 4.2.1 to 4.2.3 of this policy.

4.2.1. **Character and Integrity**

In assessing the person's character and level of integrity to hold the position as Key Responsible Persons, the NC and the Board should consider matters including, but not limited to the following:

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Probity

- a) Compliant with legal obligations, regulatory requirements and professional standards either in Malaysia or elsewhere and has not been the subject of any legal or disciplinary proceedings either civil or criminal in nature;
- b) Has not been obstructive, misleading or untruthful in dealings with auditors, regulatory bodies, a court or a tribunal;
- c) Is free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of a Key Responsible Person which would be disadvantageous to the Company or its interest.

Personal Integrity

- (a) 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;
- (b) The service contract (i.e. in the capacity of Management or Director) had not been terminated in the past and had not been dismissed, asked to resign or resigned from employment due to concerns on personal integrity;
- (c) 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.

Financial Integrity

- (a) Manages personal debts or financial affairs satisfactorily;
- (b) Demonstrates ability to fulfill personal financial obligations as and when they fall due;
- (c) Is not an undischarged bankrupt or been a subject of a judgement debt which has not been satisfied in whole or in part and demonstrates the ability to fulfil personal financial obligations as and when they fall due, whether in Malaysia or elsewhere.

Reputation

- (a) Have good repute in the financial and business community;
- (b) Has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;
- (c) 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.

4.2.2. **Experience and Competency**

Experience and competency are demonstrated by a person who possesses the relevant education, knowledge, experience and competency to understand the technical requirements of the business and the management process required to perform his/her role as a Key Responsible Person in the relevant capacity effectively.

In assessing the person's experience and competency, the NC and the Board should consider matters including, but not limited to the following:

Qualifications, training and skills

- a) Possesses the appropriate education qualification, experience or functional/technical expertise that is relevant to fulfil the role and responsibilities of the positions;
- b) Has a considerable understanding on the workings of a corporation;
- c) Possesses general management skills as well as understanding of corporate governance and sustainability issues;
- d) Keeps knowledge current based on continuous professional development;
- e) Possesses leadership capabilities and a high level of emotional intelligence.

Relevant experience and expertise

- a) 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

- a) Had a career of occupying a high-level position in a comparable organization, and was accountable for driving or leading the organisation's governance, business performance or operations;
- b) Possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

4.2.3. **Time and Commitment**

In assessing the person's time and commitment, the NC and the Board should consider matters including, but not limited to the following:

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Ability to discharge role having regard to other commitments

- (a) Able to devote time as requisite by his/her positions, having factored in other outside obligations including other board positions/executive duties held by the Key Responsible Persons across other organizations (including not-for-profit organization).

Participation and contribution in the board or track record

- a) Demonstrates willingness to participate actively in board activities;
- b) Demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
- c) Manifests passion in the vocation of his/her position as Key Responsible Persons;
- d) Exhibits ability to articulate views independently, objectively and constructively;
- e) Exhibits open mindedness to the views of others and ability to make considered judgement after hearing the views of others.

Directorship in other companies

- a) The directorships held by any Director at any one time shall not exceed five (5) listed companies;
- b) Key senior management must devote the whole of his/her professional time as requisite by his/her positions and shall not carry on any other business or vocation, except as non-executive director or shareholder of another company. In ensuring that a position of responsibility outside his/her position in the Company does not create conflicts of interest or demands on the senior management's professional time, a senior management must not hold non-executive directorship in more than three (3) entities other than his/her executive position in the Company.

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5. ASSESSMENT

5.1. Assessment Process

The fit and proper assessment will be conducted as follows:

Key Responsible Person	Assessment Process
Directors	<u>Prior to appointment</u> : The NC will assess and makes recommendation to the Board for final decision. <u>Existing</u> : The NC will assess annually during the Board Evaluation exercise and makes recommendation on the re-election of the Directors to the Board for final decision.
CEO	<u>Prior to appointment</u> : The NC will assess and makes recommendation to the Board for final decision. <u>Existing</u> : The NC will assess annually during the performance evaluation exercise and report to the Board.
Key Senior Management other than the CEO.	<u>Prior to appointment</u> : The CEO will assess and report to the NC and Board. <u>Existing</u> : The CEO will assess annually during the performance evaluation exercise and report to the NC and Board.

In assessing a person's fitness and propriety, the Board through its NC, shall consider all relevant factors based on the fit and proper criteria pursuant to Clause 4.2 above.

A person who has been identified for appointment as Key Responsible Persons of the Company shall be required to make fit and proper declaration in such forms as the NC may from time to time prescribe or approve.

5.2. Prudent Judgements

The Group will make its decision based on the provision of information as outlined within this Policy. The Group will also make reasonable enquiries to obtain relevant information that can be taken into account in making a fit and proper assessment, in addition to the Fit and Proper Declaration by the Key Responsible Persons via signing of their appointment letters. The information may include a person's formal qualifications and attainments, curriculum vitae, referee reports obtained as part of a recruitment process, and any other publicly available information that is relevant to the fit and proper assessment.

5.3. Failure to Meet Criteria

Where a person is found to be not fit and proper due to lack of character, diligence, honesty, integrity or judgement, or is found to be misleading or deceptive, the person is required to resign. Otherwise, for a Director and a Chief Executive Officer, the NC may recommend his/her immediate removal as a Director to the Board for approval. For a Key Senior Management other than a Chief Executive Officer, the Chief Executive Officer can terminate him/her immediately.

5.4. **Disclosure of Information for Assessment**

The Key Responsible Persons are required to disclose to the Group all information that may be relevant to a fit and proper assessment. The Group will take all reasonable steps to ensure compliance with Personal Data Protection Act 2010 ("PDPA") in collecting and using the information about Key Responsible Persons as part of the assessment process. Conflict of interest are required to be disclosed by the Key Responsible Persons on initial appointment and ongoing basis, or for Directors, declaration of any interests could be made at each Board meeting.

6. DOCUMENT RETENTION AND REPORTING

The Group will maintain on file information related to the fit and proper assessment of all current and past Key Responsible Persons. Fit and proper assessment results are available to the Chairman and to be tabled annually first at the NC meeting, which would then be reported by the NC to the Board at a Board meeting. The Group must include the application of its fit and proper policy in the nomination and election of its directors in the NC's Report in its annual

7. REVIEW OF POLICY

This Policy is subject to periodic review and shall be updated as and when necessary to suit the current needs and objectives of the Group.

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