

Terms of Reference of Governance, Risk & Sustainability Committee

THIS TERMS OF REFERENCE 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)
- PT MST Golf Distribution (AHU-0068036.AH.01.01.TAHUN 2023)
- PT MST Golf Indonesia (AHU-0067107.AH.01.01.TAHUN 2023)
- Unless otherwise specified, any other companies that may become subsidiaries of MST Golf Group Berhad after the effective date of this document.

Terms of Reference of Governance, Risk & Sustainability Committee

ADOPTION & REVISION HISTORY:

Rev.	Effective Date	Description	Approved by
0	28 Aug 2024	Formal Adoption	Board of Directors

(SEE NEXT PAGE FOR TERMS OF REFERENCE)

Terms of Reference of Governance, Risk & Sustainability Committee

1. DEFINITIONS

AGM	Annual General Meeting
GRSC	Governance, Risk & Sustainability Committee of the Company
Board	The Board of Directors of the Company
Bursa Securities	Bursa Malaysia Securities Berhad
CA	Companies Act 2016
CFO	The Group's Chief Financial Officer
CEO	The Group's Chief Executive Officer
Chairman	Chairman of the Board and is used in a gender-neutral sense
Committee	The Board Committees of the Company
Company	MST Golf Group Berhad
Company Secretary	Board secretary(ies)
Constitution	Constitution of the Company
Directors	the Directors for the time being of the Company and unless otherwise stated, includes their duly appointed alternates
EGM	Extraordinary General Meeting
Group	The Company and its subsidiaries as listed in the first page of this document.
Independent Director	A Director who does not participate in the management of the Company and who satisfies the criteria for "independence" set out in the MMLR
Management	Management personnel of the Group
MMLR	Main Market Listing Requirements of Bursa Securities
MCCG	Malaysian Code on Corporate Governance
SC	Securities Commission Malaysia
Senior Management	Senior Management personnel of the Group

Terms of Reference of Governance, Risk & Sustainability Committee

2. OBJECTIVES

- 2.1. The Board forms the Company's Governance, Risk and Sustainability Committee ("GRSC") with the primary function to assist the Board in overseeing governance, risk management and sustainability matters of the Group.
- 2.2. This GRSC Terms of Reference aims to set out the terms of conduct of the GRSC with respect to its delegated responsibilities to assist the Board in fulfilling the Board's statutory and fiduciary responsibilities in relation to governance, risk and sustainability matters based on the MMLR. In addition, this GRSC Terms of Reference also recognizes and aims to adopt related practices and guidance from:
 - 2.2.1. the MCCG, which provides Principles, Intended Outcome, Practices and Guidance to promote greater internalisation of good governance and culture of integrity;
 - 2.2.2. The Corporate Governance Guide ("the Guide") issued by Bursa Securities, which seeks to enrich the application and actualisation of corporate governance practices by providing practical guidance to listed issuers and cultivate listed issuers' appreciation on the drivers of sound corporate governance;
 - 2.2.3. The Statement in Risk Management and Internal Control: Guidelines for Directors of Listed Issuers by Bursa Securities; and
 - 2.2.4. The Sustainability Reporting Guide by Bursa Securities.

3. COMPOSITION

- 3.1. The GRSC shall comprise no fewer than three (3) Directors, the majority of which shall be Independent Non-Executive Directors. In this respect, the Board adopts the definition of "independent directors" under the MMLR.
- 3.2. If a member of the GRSC resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall within three (3) months of the event appoint such number of new members as may be required to fill the vacancy.
- 3.3. The chairman of GRSC ("GRSC Chairman") shall be an Independent Non-Executive Director and not the Chairman of the Board. No alternate Director shall be appointed as a member of the GRSC.
- 3.4. The term of office and performance of the Committee and each of its members shall be reviewed by the Nomination Committee annually to determine whether the GRSC and its members have carried out their duties in accordance with their terms of reference.

Terms of Reference of Governance, Risk & Sustainability Committee

- 3.5. All members of the GRSC should undertake continuous professional development to keep themselves abreast of relevant developments in governance, risk and sustainability standards, practices and rules.

4. QUORUM AND MEETING PROCEDURES

- 4.1. Meetings shall be conducted at least four (4) times annually, or more frequently as circumstances dictate. The GRSC Chairman may call for a meeting of the GRSC if a request is made by any GRSC member, the CEO or the executive Chairman.
- 4.2. In order to form a quorum for the meeting, at least two (2) GRSC members shall be present and the majority of the GRSC members present must be Independent Non-Executive Directors. In the absence of the GRSC Chairman, the members present shall elect a chairman for the meeting from amongst the members present.
- 4.3. A GRSC member shall excuse himself/herself from the meeting during discussion or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for the member. Where this cause insufficient directors to make up a quorum, the GRSC has the right to appoint another director(s) which meets the membership criteria.
- 4.4. The Company Secretary shall be the appointed secretary of the GRSC ("Secretary"). The Secretary, in conjunction with the GRSC Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least one (1) week prior to each meeting to the members of the GRSC. The minutes of all GRSC meetings shall be circulated to members of the Board.
- 4.5. The GRSC may, as and when deemed necessary, invite other Board members and Senior Management members to attend the meetings.
- 4.6. The GRSC Chairman shall submit an annual report to the Board, summarising the GRSC's activities during the year and the related significant results and findings thereof, including details of relevant training attended by each GRSC member.
- 4.7. The GRSC shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter. A resolution in writing, signed by all the members of the GRSC, shall be as effectual as if it has been passed at a meeting of the GRSC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one (1) or more GRSC members and may be accepted as sufficiently signed by GRSC members if transmitted to the Company by email, facsimile or other electronic means or digital written message/application to include a signature of GRSC members.

Terms of Reference of Governance, Risk & Sustainability Committee

- 4.8. The GRSC members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- 4.9. As a best practice, the GRSC Chairman should attend the AGM to answer any shareholder questions on the GRSC's activities.

5. AUTHORITY

- 5.1. The GRSC is authorised by the Board to seek information on any activity within its terms of reference from any employee and employees are directed to co-operate with any request made by the GRSC.
- 5.2. The GRSC can obtain, at the expense of the Company, outside legal or other independent professional advice it considers necessary in the discharge of its responsibilities, subject to compliance with the provisions on such advisers stipulated in the Board Charter.
- 5.3. The GRSC shall have full and unlimited access to any information pertaining to the Group. The GRSC shall have direct communication channels with Senior Management. The GRSC shall have the resources that are required to perform its duties.

6. RESPONSIBILITIES AND DUTIES

- 6.1. In fulfilling its primary objectives, the GRSC shall undertake the following responsibilities and duties.
- 6.2. **General** responsibilities and duties of the GRSC:
- 6.2.1. Review and approve the GRSC's terms of reference as conditions dictate.
- 6.2.2. Review procedures in place to ensure that the Group is in compliance with the CA, the MMLR and other legislative and reporting requirements pertaining to governance, risk and sustainability.
- 6.2.3. Prepare reports, at least once a year, to the Board which includes the following:
- a) the composition of the GRSC, including the name, designation (indicating the chairman) and directorship of the members (indicating whether the directors are independent or otherwise).
 - b) the number of GRSC meetings held during the financial year and details of attendance of each GRSC member.

Terms of Reference of Governance, Risk & Sustainability Committee

- c) a summary of the work of the GRSC in the discharge of its functions and duties for that financial year and how it has met its responsibilities.
- 6.2.4. Ensure the Group discloses the following reports or statements pursuant to the disclosure and reporting requirements of the MMLR:
 - a) Corporate Governance Overview Statement.
 - b) Statement of Risk Management and Internal Control.
 - c) Sustainability Statement.
- 6.3. **Governance** responsibilities and duties of the GRSC:
 - 6.3.1. Review and recommend for the Board's approval the Group's governance framework.
 - 6.3.2. Direct and oversee the formulation of mechanisms, policies and programmes to ensure complete implementation of the Group's governance framework.
 - 6.3.3. Review and recommend the Group's policies for the Board's approval with the exception of specific policies falling under the authority of other Board Committees as detailed in the relevant Board Committee's terms of reference.
 - 6.3.4. Review reports on the status, availability and completeness of standard operating procedures for all levels of the Group's operations.
 - 6.3.5. Monitor the status of implementation of the related governance framework, blueprints and policies by the Group.
 - 6.3.6. Review the effectiveness of governance programmes, including those pertaining to anti-bribery and anti-corruption.
 - 6.3.7. Review procedures established to address allegations raised by whistleblowers, to ensure independent investigation is conducted and follow-up action is taken and highlighted to the GRSC.
 - 6.3.8. Act on any other governance matters, as authorised by the Board.
- 6.4. **Risk Management** responsibilities and duties of the GRSC:
 - 6.4.1. Direct and oversee the Group's risk management framework and policies.

Terms of Reference of Governance, Risk & Sustainability Committee

- 6.4.2. Review the risk profile of the Group (including risk registers) and the risk management team's plans to mitigate business risks as identified from time to time.
 - 6.4.3. Report, advise and recommend to the Board the overall risk appetite, level of risk tolerance and strategy on managing business risks.
 - 6.4.4. Monitor and report to the Board key business risks and seek its approval on the management of key business risks that are aligned to the Board's risk appetite.
 - 6.4.5. Report to the Board, the evaluated key risk areas such as finance, operations, regulatory compliance, reputation, cyber security and sustainability and the controls in place to mitigate or manage those risks.
 - 6.4.6. Monitor the effectiveness and progress of management of key business risks and accordingly report to the Board the status of the key business risks.
 - 6.4.7. Recommend to the Board the approval if and/or amendments to the Group's risk management framework and strategies, including policies, procedures, systems, capability and parameters as relevant.
 - 6.4.8. Review the effectiveness of the Group's risk management framework including compliance with internationally recognised risk management framework and make recommendations necessary for improvement.
 - 6.4.9. Act on any other risk management matters, as authorised by the Board.
- 6.5. **Sustainability** responsibilities and duties of the GRSC:
- 6.5.1. Direct and oversee the formulation of the Group's Sustainability Policy, the Group's overall sustainability strategies, sustainability framework, initiatives, priorities and targets as well as principles and policies which are aligned with the Group's commitment towards sustainability, as well as global standards and regulations.
 - 6.5.2. Direct and oversee the Group's safety, health, environment and community ("SHEC") performance as well as the adequacy of the Group's SHEC framework and management system consequences of decisions and actions, including the impact on employees and third parties and communities and on the reputation of the Group.

Terms of Reference of Governance, Risk & Sustainability Committee

- 6.5.3. Ensure that the Group's strategic plan supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability, human rights as well as climate-related risks and opportunities.
- 6.5.4. Oversee and monitor the strategic management of material sustainability matters, risks as well as opportunities and monitor progress against the achievement of the Group's sustainability targets (sustainability key performance indicators).
- 6.5.5. Review issues relating to sustainability arising from grievances, independent audits and assurance reports as well as any matters highlighted by the external consultant.
- 6.5.6. Monitor employee awareness programmes in understanding the Group's approach to sustainability and support actions on sustainability across the Group.
- 6.5.7. Oversee the outcome of the stakeholder engagement in particular, matters that may affect the Group's reputation which shall include grievances, concerns/allegations, evolving public/market sentiments and government regulations.
- 6.5.8. Ensure that the Group's overall sustainability framework, strategies, priorities and targets as well as performance against these targets are communicated to the Group's internal and external stakeholders through appropriate means such as engagements and disclosures.
- 6.5.9. Act on any other sustainability matters, as authorised by the Board.

7. MINUTES

- 7.1. The Secretary shall keep all the minutes of meetings of the GRSC and copies thereof shall be circulated to all members of the Board.

8. REVISION OF THE TERMS OF REFERENCE

- 8.1. Any revision or amendment to this Terms of Reference, as proposed by the GRSC or any third party, shall first be presented to the Board for its approval.
- 8.2. Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

-END-