MKH BERHAD

Registration No: 197901006663 (50948-T)

FIT AND PROPER POLICY

1. OBJECTIVE

This Fit and Proper policy (**"Policy"**) set out the criteria for appointment and reappointment of Directors to the Board of Directors (**"Board"**) of MKH Berhad and its subsidiaries (**"Group"**).

This Policy is to guide the Board and the Nomination Committee (**"NC"**) in the assessment and evaluation of candidates that are to be appointed to the Board as well as Directors who are seeking election or re-election.

2. FIT AND PROPER CRITERIA

The "fit and proper" criteria of Directors include but not limited to the following: -

(i) Character and Integrity

(a) Probity

- 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.

(b) 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 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.

(c) Financial integrity

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

(d) Reputation

- is of good repute in the financial and business community.
- has not been the subject of civil or criminal conviction or enforcement action, in managing or governing an entity for the past 10 years.
- has not been substantially involved in the management of a materially significant business or company which has failed, where that failure has been occasioned in part by deficiencies in that management.

(ii) 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 business and 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

- 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.

(iii) 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 judgment after hearing the views of others.

3. ASSESSMENT AND EVALUATION

The NC will assess and evaluate candidates for new appointment as Directors based on the fit and proper criteria as set out under item 2 above before recommending to the Board for approval.

For re-appointment of Directors, the Directors will be evaluated based on the Board Evaluation Form. If the assessment and evaluation result is satisfactory, the NC will recommend the re-appointment of the Director to the Board for deliberation and approval.

For new appointments, the candidate is required to provide personal details together with education background, working experience, directorships in other public listed companies, the potential conflict of interest with the Group, and authorise the Company to perform background check, including criminal record and/or credit checks.

The information gathered and results of the assessments shall be for the NC's strict use for the purpose of the assessment and evaluation and not for public disclosure.

4. REVIEW OF THE POLICY

The NC shall review and assess this Policy periodically as circumstances dictate to ensure that this Policy remain aligned with the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements. The changes to the terms of this Policy shall be subject to the approval of the Board.

The Directors' Fit and Proper policy has been reviewed and approved by the Board on 27 February 2025.