

SUCCESSION PLANNING POLICY

1. Introduction

The Board of Directors (“**Board**”) recognises the importance of succession planning to provide stability and continuity in leadership of Sinmah Capital Berhad (“**the Company**”) and its subsidiaries (collectively “**Group**”).

Succession planning is a process designed to ensure that the Group identifies and develops a talent pool of employees through mentoring, training and job rotation and ensure that a framework is in place to guide a planned orderly succession of those key business leaders when vacancies occur.

2. Objectives

- 2.1. To ensure the stability and accountability of the Group by having a plan to support operation and service continuity when vacancies occur for the Directors or Senior Management;
- 2.2. To help the Group in preserving its information and knowledge that will be lost due to resignation, retirement or general attrition;
- 2.3. To prepare a diverse pool of suitability qualifies and motivated employees for higher role and responsibilities; and
- 2.4. To develop career paths for employees which will facilitate the Group’s ability to recruit, train and retain top-performing or high talent employee, by addressing competency and skill gaps.

3. Roles and Responsibilities

- 3.1. The Board have pivotal role to play in succession planning. The Board is responsible for succession planning for the Managing Director (“**MD**”)/Executive Directors’ (“**ED**”) position.
- 3.2. The Nomination Committee (“**NC**”) shall as soon as reasonably practicable, recommend to the Board, a sufficient number of candidates (whether hire externally or promote internally) for selection.
- 3.3. While identifying candidates, the NC may consult various sources it deems appropriate, including, but not limited to, referrals from existing Directors, major shareholders, management, directors’ registry and recommendations from independent search firm.

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- 3.4. The NC shall review, consider and define the qualifications, skills and competencies of a candidate to fill the vacancy before recommending them to the Board for selection.
- 3.5. The MD/ED is responsible for the succession planning for other key position in the Group with the assistance from the senior management team and Human Resources Department.

4. Succession Planning Process

- (a) The Board, with the assistance of the NC and working with the MD/ED and Human Resources Department, oversees executive officer development and corporate succession plans to provide for continuity in Senior Management.
- (b) The Board works with the MD/ED, to identify the potential successors who will be able to fill in the MD/ED's position. The succession plan covers the defined leadership demand, identifies and validates candidates.
- (c) Should there be no suitable internal candidates, the Board, with the assistance of the NC, will identify suitable external candidates to fill up the vacancy.
- (d) The Board, NC and MD/ED shall periodically review any vacancy or probable vacancy in the Senior Management which may arise due to retirement, resignation, death, removal or incapability.
- (e) The MD/ED and the Human Resource Department shall evaluate the suitability of candidates before the retirement/relieving of the executive concerned to ensure smooth transition and handover.
- (f) An emergency succession contingency plan should be developed to prevent unforeseen circumstances such as death or disability that prevents the Chairman, MD/ED from continuing to serve. The plan shall identify the individual(s) who will act in an emergency and their responsibilities. The contingency plan shall be reviewed by the Board periodically and revised as appropriate.
- (g) The Board may review development and succession planning more frequently as it deems necessary.

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5. Periodic Review and Disclosure

- 5.1. This Policy should be reviewed annually by the NC to ensure its effectiveness. The NC may recommend changes deemed appropriate to the Board for ensuring effective succession planning.
- 5.2. The MD/ED shall review the succession planning for senior management from time to time.

END.