

SINMAH CAPITAL BERHAD (Company No: 301653-V)
EMERGENCY SUCCESSION POLICY

1. BACKGROUND

The Board of Directors (“the Board”) of SINMAH CAPITAL BERHAD (“the Company”) recognises that there is a need to plan for contingencies due to the disability, death or departure of any Executive Director who manages the day to day operations of the Company. However, while the Board of Directors acknowledges that such event is highly improbable and certainly undesirable, it also believes that due diligence in exercising its governance functions requires that it have an emergency executive succession plan in place. It is expected that this plan will ensure continuity in external relationships and in staff functioning.

As such, if the Company and its subsidiary companies (“the Group”) is faced with the unlikely event of an untimely vacancy, the Company has in place the following emergency succession plan to facilitate the transition to both interim and longer-term leadership.

2. SUCCESSION PLAN IN EVENT OF A TEMPORARY, UNPLANNED ABSENCE – SHORT TERM

A temporary absence is one of more than one week and less than three months in which is expected that any Executive Director will return to his/her position once the events precipitating the absence are resolved. An unplanned absence is one that arises unexpectedly, in contrast to a planned leave, such as a vacation. The Board of Directors is authorized to implement the terms of this emergency plan in event of unplanned absence of the Executive Director.

In event of an unplanned absence of an Executive Director, the Corporate Affairs Department is to instruct the Company Secretary to immediately inform the Board of Directors of the absence. As soon as feasible, a Board of Directors meeting should be convened to affirm the procedures prescribed in this plan.

If the need arises, the Board may at its discretion, consider splitting the executive duties and appointing the other existing Executive Directors to handle the duties of the absent Executive Director, as his replacement. However, for whatever reason, the existing Executive Directors are unable to take up the duties of the absent Executive Director, the Board may consider to appoint one or more than one Acting Executive Director / Alternate Director to take this responsibility. The Replacement Executive Director / Acting Executive Director / Alternate Director shall be known as the Covering Executive Director.

2.1 Authority and Compensation of the Covering Executive Director

The Covering Executive Director shall have the full authority for decision making and independent action as the absent Executive Director.

The Covering Executive Director maybe offered a temporary salary increase in assuming the temporary position and function of the absent Executive Director.

2.2 Board Oversight

The Board of Directors shall be responsible to monitor the work of the Covering Executive Director. The Board of Directors shall also provide the necessary needs to facilitate the Covering Executive Director in fulfilling the absent Executive Director's functions.

2.3 Communications Plan

Immediately upon transferring the responsibilities to the Covering Director, the Board of Directors will notify the management and staff of the Company. The Board of Directors shall also authorize the Corporate Affairs Department to communicate the temporary leadership structure to the customers, suppliers, service providers and any other relevant parties on a need to know basis.

3. SUCCESSION PLAN IN EVENT OF A TEMPORARY, UNPLANNED ABSENCE – LONG TERM

A long term absence is one that is expected to last more than three months. The procedures and conditions to be followed should be the same as for a short-term absence with one addition as follows.

The Board of Directors shall immediately give consideration in consultation with the Covering Executive Director to temporary filling the management position left vacant by the Covering Executive Director. This is due to the term is for more than three months and may not be fair and reasonable for the Covering Executive Director to carry out duties of both positions.

4. SUCCESSION PLAN IN EVENT OF A PERMANENT CHANGE IN EXECUTIVE DIRECTOR

A permanent change is one in which it is firmly determined that the Executive Director will not be returning to the position. The procedures and conditions should be the same as for a long term temporary absence with one additional condition as stated in the following paragraph.

The Board of Directors may appoint a “Transition and Search Committee” within 30 days to plan and carry out a transition to a new permanent Executive Director. The Board may also consider appointing an external consultant to assist during the transition period depending on the circumstances of the transition and the board’s capacity to plan and manage the transition and search. The Board may also consider the need in appointing an Acting Executive Director / Alternate Director and plan for the recruitment and selection of the Acting Executive Director / Alternate Director.

Date of Review: 28 November 2018