

SINMAH CAPITAL BERHAD (Company No: 301653 - V)

SUCCESSION PLANNING POLICY

1. BACKGROUND

This succession planning policy is intended to address SINMAH CAPITAL BERHAD and all its subsidiary companies (“the Group”).

Succession planning is a process designed to identify and develop a talent pool of employees through its mentoring, training and job rotation processes in order to replace key operation personnel positions within the Group as those existing key personnel (eg: General Manager and Heads of Department) leave their positions.

2. OBJECTIVES OF POLICY

This policy is applied in order to meet the following objectives:

- 2.1 To ensure the Group is prepared with a plan to support operations and service continuity when the Managing Director (“MD”), senior management or key operation personnel leave their positions;
- 2.2 To prepare a supply of suitable, qualified and motivated employees for higher roles and responsibilities;
- 2.3 To develop career paths for employees which will facilitate the Group’s ability to recruit and retain performance oriented or highly talented employees;
- 2.4 To deliver a message to the Group’s employees that they are valuable assets to the Group; and
- 2.5 To develop reliable assessment procedures and ensure that these procedures are applied systematically across the Group.

3. ROLES & RESPONSIBILITIES

The roles and responsibilities of the Board of Directors and the MD in carrying this policy as follows:

3.1 Both the Board and MD have pivotal roles to play in succession planning;

3.2 The Board is responsible for succession planning for the MD position. The Board should hire or internally promote the new MD, when the existing MD leaves, and ensure the new MD has the required skills to implement the Group's mission and vision;

3.3 The Board should have prepared themselves with an interim solution when MD leaves; and

3.4 The MD is responsible for ensuring the succession plan is in place for other key positions in the Group with the assistance from the Senior Management team and implicated employees.

4. DEVELOPMENT AND SUCCESSION PLANNING PROCESS

A primary responsibility of the Board is planning for MD succession and overseeing the identification and development of executive talent.

4.1 The Board with the assistance of the Nomination Committee and working with the MD and Human Resources Department, oversee the executive officer development and corporate succession plans for the MD and other executive officers to provide for continuity in senior management.

4.2 The Board works with MD to plan MD succession. The succession plan covers identification of internal candidates, development plans for internal candidates, and appropriate identification of external candidates.

4.3 The Board annually reviews the MD succession plan. The criteria used to assess potential MD candidates are formulated based on the Group's business strategies, and include strategic vision, leadership and operational execution.

4.4 The Board maintains an emergency succession plan should any unforeseen events such as death or disability occurs that prevents the MD from continuing to serve in the Group. The plan identifies the candidates who would act in an emergency and their responsibilities. The contingency plan is reviewed by the Board on an annually basis and revised as and when appropriate.

4.5 The Board may review development and succession planning more frequently as it deems necessary.

5. KEY SUCCESS FACTORS

5.1 The Board, the MD and Senior Management support for the succession planning process. This will give all employees and understanding and emphasis on the importance of succession planning to the Group.

5.2 Adequate time should be provided to the identified candidates for development and mentoring;

5.3 Review and update the succession plan regularly to ensure the Group has re-assessed the hiring and determine whether the development progress of the selected candidates.

6. PERIODIC REVIEW

This policy shall be reviewed annually by the Board.

Date of Review: 28 November 2018