

1. DIRECTORS' ASSESSMENT POLICY

1.1. Introduction

The Board and MD/CEO provide strategic leadership that influences the financial position and future direction of the Group. As such, persons in these positions should have the necessary qualities, competencies and experience that will allow them to perform the duties and carry out the responsibilities required of the position in the most effective manner. The Group are aimed to lead by persons of integrity, credibility, and competency.

1.2. Objectives

1.2.1. This policy is designed to:

- 1.2.1.1. Review the pre-determined roles of the Board and individual Directors as set out in the Board Charter;
- 1.2.1.2. Assess the Board's effectiveness;
- 1.2.1.3. Annually assess the Directors in discharging their responsibilities;
- 1.2.1.4. Individually assess the quality of a Director's contribution to general discussions, business proposals, strategic planning and governance responsibilities; and
- 1.2.1.5. Evaluate the effectiveness and efficiency of MD/CEO in executing the Group's strategy to achieve business objectives.

1.3. Criteria

1.3.1. The Nominating Committee has developed the following criteria to be used in the assessment of Directors:

1.3.1.1. Strategic

- Should understand the critical issues affecting the Group;
- Should understand the Group's strategic direction;
- Should promptly provide input to Board discussion on strategic issues; and
- Should actively participate in Board deliberations.

1.3.1.2. Ethical and Value-Driven

- Should understand and commit to the Group's values and code of conduct;
- Should manage the conflicts of interest in the best interests of the Group;
- Should maintain confidentiality, where required; and
- Should take shareholders and stakeholders into account in decision making.

1.3.1.3. Competence and Capability

- Should understand their role, duties and responsibilities as a Director; and
- Should have appropriate qualification, skills, practical experience to effectively fulfil the role, duties and responsibilities.

1.3.1.4. Commitment

- Should devote sufficient time to carry out their responsibilities;
- Should commit to the Board on the time that will be spent as the Group's Director;
- Should devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes; and
- Should attend meetings regularly.

1.3.1.5. Any other criteria contained in the Board Charter, Board Committee Term of Reference, Letter of Appointment and position description.

1.3.2. The Independent Director is subjected to the following criteria:

1.3.2.1. Independent

- Should comply with the definition of Independent Director under Paragraph 1.01 of the Listing Requirements of Bursa Malaysia Securities Berhad;
- Should bring independent and objective judgement to the Board;
- Should mitigate or avoid any conflict of interest or undue influence decisions-making; and
- Should act independently.

1.3.2.2. Tenure

- The tenure of an Independent Director should not exceed a consecutive service of nine years or a cumulative service of nine years with intervals;
- Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director; and
- In exceptional cases and subject to the assessment of the Nominating Committee, the shareholders may decide that an Independent Director can remain as an Independent Director after serving a cumulative term of nine years; the Board must make a recommendation and provide strong justification to the shareholders in a general meeting.
- If the board continues to retain the independent director after the twelfth year, the board should seek annual

shareholders' approval through a two-tier voting process.

1.4. Procedure for Board Performance Assessment

- 1.4.1. The Chairman of Board or Nominating Committee should meet with each Director separately to seek the input in relation to:
 - 1.4.1.1. the performance of the Board;
 - 1.4.1.2. the performance of each Board Committee;
 - 1.4.1.3. the performance of the Chairman of Board;
 - 1.4.1.4. the performance of the MD/CEO; and
 - 1.4.1.5. their own performance.
- 1.4.2. The performance should be assessed quantitatively and qualitatively against criteria set in this policy;
- 1.4.3. The Chairman of Board and Nominating Committee should collect, collate and compound the inputs and provide an overview report for discussion by the Board;
- 1.4.4. The Board should undertake a formal and rigorous annual assessment of its own performance including suggestion for change or improvement, as well as any skills, training or development required over the forthcoming year;
- 1.4.5. The Board performance assessment should be conducted on an annual basis and the results of the performance assessment should be documented in a form of report.

1.5. Procedure for MD/CEO Performance Assessment

- 1.5.1. The Board should assess the MD/CEO performance in relation to:
 - 1.5.1.1. Execute the Group's strategy through the efficient and effective implementation;
 - 1.5.1.2. Review the achievement of Group's pre-set performance objectives based on qualitative and quantitative measures, these objectives form part of the Key Performance Indicators (KPIs) for the MD/CEO
- 1.5.2. The Board should suggest the change or improvement, as well as any skills, training or development required by the MD/CEO over the forthcoming year;
- 1.5.3. The MD/CEO performance assessment should be conducted on an annual basis and the results of the performance assessment should be documented in a form of report.

1.6. Continuing Training Programme

- 1.6.1. The Board or individual Directors should attend the relevant training programmes, seminars and forums to enhance their skills and knowledge on relevant new laws and regulations, changing commercial risk to keep abreast with the development in the economy, industry, technology and business environment within which the Group operates.

- 1.6.2. The Board or individual Directors should analyse the training needs on an annual basis. The Directors should devote sufficient time for the continuing training programme.

1.7. Periodic Review and Disclosure

- 1.7.1. The results of the evaluation processes are to be presented by the Chairman of the Nominating Committee or a nominated member of the Committee to the full Board.
- 1.7.2. The Nominating Committee should conduct a periodic review of the criteria to be used in the assessment of Directors. The Nominating Committee should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.
- 1.7.3. The Board should disclose that it has conducted Board performance assessment in the annual report.