



NI HSIN GROUP BERHAD
(Registration No. 200401014850(653353-W))
(Incorporated in Malaysia)

**DIRECTORS AND SENIOR MANAGEMENT'S
SUCCESSION PLANNING POLICY**

Directors and Senior Management's Succession Planning Policy**1. Introduction**

Succession planning is an essential component to the survival and growth of any business. Succession planning is a tool for an organization to ensure its continued effective performance through leadership continuity. A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with talents.

Ni Hsin Group Berhad (“**NHG**” or “**Company**”) and its subsidiaries (“**Group**”) are aware the need for a succession planning policy and recognise the importance of the process of succession planning to provide for continuity in the smooth functioning of the organization. Succession planning for the Board includes succession and renewal for the Board as a whole and the Board's leadership positions. The key function of the Board of Directors is to develop an action plan for successful transition of key executives.

2. Objectives

The objectives of the succession planning programme shall, inter-alia, include the following:-

- a) To ensure the Group is prepared with a plan to support operation and service continuity when the senior management or key business leader leave their position.
- b) To ensure the systematic and long-term development of the senior management level which will facilitate the Group's ability to recruit and retain top-performing or high talent individuals.
- c) Newly appointed Board members possess the relevant competence to assume the responsibilities of the departing Board members and to effectively fulfill their governance duties.
- d) Adequate preparation is provided to Board members to take up leadership roles and to mitigate the potential risk of dependence on individuals at the governance level.

Directors and Senior Management's Succession Planning Policy**3. Succession Plan for the Board**

The Nomination Committee ("NC") of the Board, shall apply a due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed as a Director of the Company based on his educational qualification, experience and track record, and every such person shall undergo an assessment on his/her 'fit and proper' criteria in accordance with the Directors' Fit and Proper Policy.

The Terms of Reference of NC serves as a guidance to the Board and NC in relation to appointment/reappointment/removal of Directors, to devise criteria for performance evaluation of the Directors and the Board and to ensure adequate diversity in the Board to make good use of the varied skills, regional and industry experience, background, gender and other qualities of the Directors.

Accordingly, the appointment/re-appointment/removal and tenure of the Directors including but not limited to the Managing Director/Chairman of the Company shall be regulated by the provisions of Terms of Reference of NC which shall be reviewed and approved by the Board and NC from time to time.

4. Succession Plan for the Senior Management

The NC shall periodically review and consider the list of senior management due for retirement/attrition within the year as well as the new vacancies that may arise from business needs/up-gradation of Department(s)/. Considering the above, the NC shall assess the availability of suitable candidates to support the Company's future growth and development. Further, based on the recommendation of the Managing Director and Executive Director, the NC:-

- a) shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc. and recommend to the Board whether the concerned individual be granted an extension in term/service or be replaced with an identified internal or external candidates.
- b) shall identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned development and learning initiatives. The NC may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.
- c) may recommend to the Board to appoint other suitable external candidate(s) as special recruitment in senior managerial level based on job roles and competency in order to provide a continuous flow of talented people to meet the Company needs.

Directors and Senior Management's Succession Planning Policy

5. Training and Development Plans for Directors and Senior Management

Director and/or Senior Management orientation and ongoing development would be necessary for new Directors and/or Senior Management need to familiarise the Company in terms of its business, its strategic plan, the governance duties, governance protocols as well as the expectations of being a Director and/or Senior Management. All Directors and/or Senior Management are required to undertake ongoing education on the sector in which the Company operates, the specific priorities of the Company, stakeholder needs, and governance evolution. It is important to assemble a curriculum of learning for individual Directors and/or Senior Management as well as team learning for the Board and/or Senior Management as a whole. Some training may be specifically needed to bridge the gap of actual composition of competencies and experience from that of the ideal composition.

Developing Board and/or Senior Management is important, and NHG permits the Board and/or Senior Management an opportunity to demonstrate their abilities and leadership style as well as ability to work with executive of the Company. Clear delineation of responsibilities and competencies would be essential to this process.

NHG provides an opportunity for a balance of continuity and rotation of people in the leadership roles. This allows the Company to benefit from the stability of leadership while having a pool of trained leaders and avoiding dependence on individuals.

6. Review of the Policy

The Board and Senior Management of the Company shall review the Policy periodically or as and when required.

Date: 28 August 2025