



LEONG HUP INTERNATIONAL BERHAD

Registration No. 201401022577 (1098663-D)

DIRECTORS' ASSESSMENT POLICY

26 NOVEMBER 2019

(Last reviewed on 21 April 2026)

1. Introduction

The Board together with Group Chief Executive Officer (“Group CEO”) and Group Chief Operating Officer (“Group COO”) of Leong Hup International Berhad (“LHI” or the “Company”) 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, integrity, credibility, 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.

This policy set out the criteria to be used in the assessment of Directors, Group CEO and Group COO.

2. Objectives

This policy is designed to:

- (a) Review the pre-determined roles of the Board and individual Directors as set out in the Board Charter;
- (b) Assess the Board and Board Committees' effectiveness;
- (c) Assess individual Directors' performance in the discharge of their responsibilities including the quality of contribution to general discussions, business proposals, strategic planning and governance responsibilities, as well as taking into account forward-looking considerations, such as the competencies required to drive the Company's future strategies; and
- (d) Evaluate the effectiveness and efficiency of the Group CEO and Group COO in executing the Group's strategies to achieve business objectives.

3. Criteria

- (a) The Nomination Committee has developed the following criteria to be used in the assessment of Board and Board Committees:
 - (i) Board structure;
 - Should have appropriate composition and committees;
 - Should have right mix of skills and experience;
 - Should work constructively as a team;
 - Should enhance the quality of management decision-making and engage constructively with management to stimulate its thinking and performance;
 - Should provide continuing training programmes to keep all Directors up to date with the latest developments in the market industry and regulatory environment;
 - Should consist of a good balance of Independent Director; and
 - Should resolve the potential areas of conflicts that may impair the independence of the Independent Directors.
 - (ii) Board operations;
 - Should hold board meeting with appropriate frequency;
 - The information on the agenda items is provided well in advance of board meetings;

- The information is adequately provided to help Directors understand the important issues and trends in the business prior to board meetings;
 - The information is adequately and sufficiently supplied for good decision-making;
 - Should have adequate time allocated between board discussions and management presentations;
 - The board meetings should carry out in an open communication environment with meaningful participation and timely and constructive resolution of issues; and
 - The Directors should have sufficient access to management and/or the Chairman.
- (iii) Board roles and responsibilities;
- Should understand its role, authority and priorities;
 - Should understand the Company's values, mission, strategic and business plans;
 - Should effectively review the Company's strategic plan;
 - Should identify the relevant tools to monitor management's performance;
 - Should identify and manage risks and opportunities, including sustainability related aspect;
 - Should establish a succession plan for the Group CEO, Group COO and key senior management;
 - Should consider its role in protecting shareholders' interests; and
 - Should review the adequacy and integrity of the Company's system of internal control.
- (iv) Board Chairman's role and responsibilities
- Should build healthy boardroom dynamics and dealing effectively with dissent and working constructively towards consensus;
 - Should oversee an effective decision-making process and ensure crucial alternatives are considered;
 - Should lead the Board in the adoption and implementation of good corporate governance practices in the Company;
 - Should aim to ensure the Board's workload is properly managed and, where appropriate, allocated to delegated committees with specific terms of reference approved by the Board; and
 - Should oversee an effective communication with stakeholders, as well as meaningful engagement between the Board, Management and shareholders during general meetings.
- (v) Board Committees
- Should have the right composition;
 - Should provide useful recommendations in assisting the Board for better decision-making;
 - The members of the Board committees should have sufficient, recent and relevant expertise in fulfilling their roles;
 - The Chairman of the Board committees should properly discharge their responsibilities, deploy resources and expertise,

- and provide appropriate reporting and recommendations to the Board;
 - The appointment of Board Committees Chairman and members should take into consideration the ability, experience and expected performance of the candidate;
 - Should have sufficient quality in communications to the Board; and
 - The Board should be informed on a sufficiently timely basis regarding the Board Committee's deliberations.
- (b) The Nomination Committee has developed the following criteria to be used in the assessment of Directors:
- (i) 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.
 - (ii) Ethical and Value-Driven
 - Should understand and commit to the Group's values, ethics and code of conduct;
 - Should act with integrity, lead by example, keep abreast of the responsibilities as a Director and of the conduct, business activities and development of the Company;
 - Should declare and 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.
 - (iii) Competence and Capability
 - Should understand their role, duties and responsibilities as a Director;
 - Should be able to understand financial statements and form a view on the information presented; and
 - Should have appropriate qualification, skills and practical experience to effectively fulfil the role, duties and responsibilities.
 - (iv) 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.
 - (v) Any other criteria contained in the Board Charter, Board Committees Terms of Reference, Letter of Appointment and position description.

- (c) The Independent Director is subjected to the following criteria:
- (i) Independence
 - Should comply with the definition of Independent Director under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) and any other criteria determined by the Nomination Committee;
 - 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.
 - (ii) 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;
 - If the Board intends to retain an Independent Director beyond nine years, the Board shall provide justification and seek annual shareholders’ approval through a two-tier voting process; and
 - In accordance with the MMLR, the tenure of an Independent Director in the Company or any related corporation of the Company shall not exceed a cumulative period of twelve years from the date of his first appointment as an Independent Director.

4. Procedure for Board Performance Assessment

- (a) The Nomination Committee seeks input from each Director separately in relation to the performance of:
 - (i) the Board;
 - (ii) other Directors;
 - (iii) each Board Committee;
 - (iv) the Chairman of the Board;
 - (v) the Group CEO;
 - (vi) the Group COO;
 - (vii) the Group Chief Financial Officer; and
 - (viii) their own.
- (b) The performance should be assessed on a quantitative and qualitative basis against criteria set in this policy;
- (c) The Nomination Committee should deliberate on the compiled inputs/collective view and the Chairman of the Nomination Committee to provide the Board an overview report in relation thereto;
- (d) The Board should undertake an annual assessment of its own performance including suggestion for change or improvement, as well as

any skills, training needs or development required over the forthcoming year; and

- (e) 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.

5. Procedure for Group CEO and Group COO Performance Assessment

The Board should assess the Group CEO and Group COO performance in relation to:

- (i) Execute the Group's strategies through the efficient and effective implementation;
- (ii) Achievement of the Group's pre-set performance objectives based on qualitative and quantitative measures which form part of the Key Performance Indicators (KPIs) for the Group CEO and Group COO; and
- (iii) Addressing the Company's material sustainability risks and opportunities.

6. Continuing Training Programme

- (a) 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.
- (b) The Board should analyse the training needs of each individual Director on an annual basis. The Directors should devote sufficient time for the continuing training programme.

7. Periodic Review and Disclosure

- (a) The Nomination Committee should periodically review the criteria to be used in the assessment of Directors and communicate the new changes or amendments of the criteria to the Board and individual Directors.
- (b) The Board should disclose how it has conducted Board performance assessment in the annual report.

This Directors' Assessment Policy was last reviewed by the Board of Directors on 21 April 2026.