

1. Introduction

1.1 This policy sets out the criteria which are to be used in the assessment of Directors of Pensonic Holdings Berhad (“PHB” or the “Company”).

2. Criteria

2.1 The Nomination Committee has developed the criteria for use in the assessment of the following:

(a) **Board and Board Committees:**

(i) **Board structure:**

- Should have members with the right mix of skills and experience; and
- Should resolve the potential areas of conflicts that may impair the independence of the Independent Directors.

(ii) **Board operations:**

- Should hold board meetings with appropriate frequency;
- The information is adequately provided to help Directors understand the important issues and trends in the business prior to board meetings for good decision-making; and
- The board meetings should be carried out in an open communication environment with meaningful participation and timely and constructive resolution of issues.

(iii) **Board roles and responsibilities:**

- Should understand its role, authority and priorities.

(iv) **Board Chairman’s role and responsibilities:**

- Should build healthy boardroom dynamics and deal effectively with any arising dissension and work constructively towards consensus; and
- Should oversee an effective decision-making process and ensure crucial alternatives are considered.

(v) **Board Committees:**

- Should have the right composition; and
- The members of the committees should have sufficient and relevant expertise in fulfilling their roles.

(b) **Directors (in general):**

- (i) Strategic, character, experience, integrity, ethical and value-driven, competence, capability, commitment including time commitment; and
- (ii) Any other criteria contained in the Board Charter and the Board Committees' Terms of Reference.

(c) **Independent Directors:**

- (i) Compliance with the definition of Independent Director under Paragraph 1.01 of the Listing Requirements of Bursa Malaysia Securities Berhad and any other criteria determined by the Nominating Committee.
- (ii) The tenure of an Independent Director should not exceed a consecutive period of nine years or a cumulative period of nine years with intervals.
- (iii) An Independent Director can only continue to hold office beyond the prescribed nine year period mentioned above following vigorous assessment and recommendation by the Board for the approval of shareholders' at the annual general meeting.

3. Procedure for Board Performance Assessment

- 3.1 The Nomination Committee seeks input from each Director separately in relation to:
- (a) the performance of the Board, Board Committees, Chairman of the Board and other Directors; and
 - (b) their own performance.
- 3.2 Such performance assessment should consider both quantitative and qualitative parameters against the criteria set in this policy;
- 3.3 The Chairman of Board and Nomination Committee should collect and collate the inputs received and provide an overview report for discussion by the Board; and

- 3.4 The Board's performance assessment should be conducted on an annual basis and the results of the performance assessment should be documented.

4. Continuing Training Programme

- 4.1 The Board or individual Directors should attend the relevant training programmes, seminars and forums to enhance their skills and knowledge.
- 4.2 The Board, via the Nominating Committee, should analyse the training needs of each individual Director on an annual basis.

5. Disclosure

- 5.1 The Board should disclose how it has conducted the performance assessment of the Board and senior management in the annual report.

6. Periodic Review

- 6.1 This policy shall be reviewed from time to time by the Board when deemed necessary.

7. Effective Date

- 7.1 This Policy is effective 13 September 2018.