

SUCCESSION PLANNING POLICY **FOR THE BOARD AND SENIOR MANAGEMENT**

PURPOSE

Succession planning is an essential component to the survival and growth of any business. It is a tool for an organization to ensure its continued effective performance through leadership continuity. A succession plan gives assurance and confidence to all stakeholders of the Company, demonstrating that changes in leadership would be carefully planned, communicated and implemented by the Board of Directors.

A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with talents. The Company recognizes the importance of the process to provide for continuity in the smooth functioning of the organization. There are certain positions in the Company that are key to its current and future growth. It is, therefore, important that these positions are assigned to duly skilled and best possible incumbents, and to fill up such positions well in time to avoid any leadership gap.

The objectives of this policy shall include:

1. To identify and nominate suitable candidates for the Board's approval to fill the vacancies which arise in the Board of Directors from time to time. The plan ensures the Board's continuity composed of directors with collective working knowledge, experience or expertise that is relevant to the Company's business to meet its short-term and long-term goals.
2. To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
3. To identify the key job incumbents in senior managerial positions and recommend whether the concerned individual: (i) be granted an extension in term/service or (ii) be replaced with an identified internal or external candidate or recruit other suitable candidate/s.
4. To ensure the systematic and long-term development of individuals in the senior management level to serve as replacement when the need arises due to deaths, disabilities, retirements, and other unexpected occurrence.

RESPONSIBILITIES

1. The Board is responsible for adopting an effective succession planning program.

2. The Corporate Governance Committee (“Committee”) is responsible for recommending the succession plan candidates for membership to the Board and senior management positions.
3. The Head of Human Resources and Corporate Administration Division (“HR Head”) shall assist the Committee in the performance of its functions to search and recommend candidates for membership to the Board and senior management positions.
4. The Human Resources and Corporate Administration Division (“HR Division”) shall ensure that there are sufficient qualified candidates for vacancies to the Board and senior management positions, and assist in the efficient turnover of functions between the outgoing and incoming directors/senior management officers and their training to assume their roles and functions in the Company.

SUCCESSION PLAN

The Committee, with the assistance of the HR Head, shall periodically review and determine if there is reason to believe that one or more Director slot/s or senior management position/s shall become vacant within the next twelve (12) months and accordingly report the finding to the Board. A sub-committee or working group may be formed to assist the Committee in furtherance of its responsibilities.

1. Procedure

- a. If the Committee anticipates that a director slot/senior management position shall become vacant within the next 12 months (whether by reason of an announced intent to retire or otherwise), or if such position suddenly becomes vacant (whether by death or otherwise), the Committee shall as soon as reasonably practicable recommend to the Board sufficient number of candidates for selection.
- b. When identifying candidates for nomination as director or senior management, the Committee shall be assisted by the HR Head. The Committee may likewise consult whatever sources deemed appropriate, including, but not limited to, referrals from existing directors or senior management, recommendations from professional search firms, etc.
- c. The Committee shall have the authority to engage advisors, including professional search firms, deemed appropriate in its efforts to identify and evaluate potential candidates.
- d. The Committee, with the assistance of the HR Head, shall also periodically review the list of high performing employees embodying the Company’s core values of integrity, creativity and innovation, excellence and love for company, who may be potential candidates for elevation to senior management position.

2. Assessment of Candidates

The Committee shall make an initial assessment of potential candidates for the vacancy. It shall select from such pool, candidates for an initial interview. When the Committee identifies individuals that it believes meet the criteria for the position, it shall recommend them to the Board for selection.

3. Work Turnover

The HR Division, in coordination with the outgoing director or senior management officer, shall assist in the efficient turnover of the roles and functions to the incoming director/officer. It shall conduct orientation, learning and training programs on the Company's business and structure, vision and mission, business strategy, organizational documents, Company policies, and other subjects necessary to equip him/her with the necessary skills and knowledge to prepare him/her in undertaking his/her roles and functions.

4. Emergency Succession

If a director slot/senior management position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Committee shall convene a special meeting as early as possible to implement the process described herein.

GUIDELINES

1. The succession plan shall comply with the qualifications and disqualifications standards set in the Company's Revised Manual on Corporate Governance for identification of potential candidates for membership to the Board or for senior management positions.
2. The succession plan may consider and provide for rotation of directors through Committee Chairperson positions and memberships to provide for a balance of continuity and rotation in the leadership role.
3. The succession plan may consider the retirement age of potential candidates for membership to the Board or for senior management positions.

REVIEW AND AMENDMENT

This policy will be reviewed annually and revised as needed. Any amendment to this policy shall be approved by the Board of Directors of the Company.