

## **Succession Planning Policy**

### **1. Introduction**

The Succession Planning Policy is intended to address Securemetric Berhad (“**the Securemetric**”) and all its subsidiary companies (“**the Group**”)’s continuity in leadership for all key positions.

Succession planning is an ongoing process designed to ensure that the Group identifies and develops a talent pool of employees through mentoring, training and job rotation for high level management positions that become vacant due to retirement, resignation, death or disability and/or new business opportunities.

### **2. Objectives**

- 2.1. To ensure the Group is prepared with a plan to support operation and service continuity when the positions of Chief Executive Officer (“**CEO**”), Senior Management or key managers become vacant;
- 2.2. To ensure a continued supply of qualified, motivated employees who are prepared for higher roles and responsibilities;
- 2.3. To align the Group’s vision and human resource function that demonstrate an understanding of the requirements to have appropriate employees to achieve strategic plans;
- 2.4. To develop career paths for employees that will facilitate the Group’s ability to recruit and retain top-performing or high talent employees;
- 2.5. To create an external reputation as an employer that invests in its people, provides opportunities and support for advancement;
- 2.6. To deliver a message to the Group’s employees that they are valuable; and
- 2.7. To develop reliable assessment procedures and ensure that these procedures are applied systematically across the Group.

### **3. Roles and Responsibilities**

- 3.1. Both the Board and the CEO have pivotal roles to play in succession planning;
- 3.2. The Board is responsible for succession planning for the CEO position. The Board should hire or internally promote the new CEO when the position becomes vacant, and ensure that the new CEO has the required skills to implement the Group's mission and vision;
- 3.3. The Board should have prepared themselves with an interim solution when the position becomes vacant unexpectedly; and
- 3.4. The CEO is responsible for ensuring a succession plan is in place for other key positions in the Group with assistance from the senior management team and implicated employees.

### **4. Development and Succession Planning Process**

The primary responsibilities of the Board include planning for CEO succession and overseeing the identification and development of executive talents.

- 4.1. The Board, with the assistance of the Nomination Committee and working with the CEO and Human Resource department, oversees executive officers development and corporate succession plans for the CEO and other executive officers to provide for continuity in senior management.
- 4.2. The Board works with the CEO to plan for CEO succession. The succession plan covers identification of internal candidates, development plans for internal candidates, and appropriate identification of external candidates.
- 4.3. The Board annually reviews the CEO succession plan. The criteria used to assess potential CEO candidates are formulated based on the Company's vision and mission, goals and business strategies, and include leadership, and operational execution.
- 4.4. The Board maintains an emergency succession contingency plan should an unforeseen event such as death or disability occurs that prevents the CEO from continuing to serve. The plan identifies the individuals who will act in an emergency and their responsibilities. The contingency plan is reviewed by the Board annually and revised as appropriate.
- 4.5. The Board may review development and succession planning more frequently as it deems necessary.

## **5. Key Success Factors**

- 5.1. The Board's, the CEO's and senior management's support for the succession planning process. This will give all employees an understanding and emphasis on the importance of succession planning to the Company.
- 5.2. Succession is linked to the Company's strategic planning and future investment.
- 5.3. Adequate time should be provided to the selected employees for development and mentoring.
- 5.4. Review and update the succession plan regularly to ensure that the Company has reassessed its hiring needs and determined the development progress of the selected candidates.

## **6. Review**

The Succession Planning Policy is to be regularly reviewed by the Board as and when required.

This Policy is dated 7 November 2018 and supersedes any terms of reference previously in force.