



# **TECHNA-X BERHAD**

*Registration No.: 200601012477 (732227-T)*

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## **SUCCESSION PLANNING POLICY**

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## Introduction

This policy is intended to address Techna-X ("TXB" or "the Company") and all subsidiary companies within the TXB Group (hereinafter referred to as "the Group").

Succession planning is a process designed to ensure that the Group identifies and develops a talent pool of employees through mentoring, training and job rotation to replace experienced and key appointment holders within the Group when these key appointment holders leave their positions.

## Objective

- To ensure the Group is prepared with a plan to support operation and service continuity when the Group Chief Executive Officer ("Group CEO"), the Executive Director(s), senior management or key appointment holders leave their positions;
- To prepare a supply of suitably qualified and motivated employees for higher roles and responsibilities;
- To align between the Group's vision and human resources function that demonstrates an understanding of the requirements to have appropriate employees to achieve strategic plans;
- To develop career paths for employees which will facilitate the Group's ability to recruit and retain top-performing or high talent employees;
- To create an external reputation as an employer which invests in its people, provides opportunities and support for advancement;
- To deliver a message to the Group's employees that they are valuable; and
- To develop reliable assessment procedures and ensure that these procedures are applied systematically across the Group.

## Roles and Responsibilities

- Both the Board of Directors ("Board") and the Group CEO have pivotal roles to play in succession planning;
- The Board is responsible for succession planning for the Group CEO and Executive Director(s) position. The Board should hire or internally promote the new Group CEO and Executive Director(s), when the existing Executive Director(s) and/or Group CEO leaves, and ensure the new Chairman, Group CEO and/or Executive Director(s) has/have the required skills to implement the Group's mission, vision and strategic direction;
- The Board should have prepared themselves with an interim solution when Group CEO and Executive Director(s) leave; and
- The Group CEO is responsible for ensuring a succession plan is in place for other key positions in the Group with the assistance from the senior management team and implicated employees.

## Development and Succession Planning Process

A primary responsibility of the Board is planning for the Group CEO's and Executive Director(s)' succession and overseeing the identification and development of executive talent.

- Succession planning for the Group CEO and Executive Director(s) is under the purview of the Nomination and Remuneration Committee and for Management under the Group CEO and Human Resources department.
- The Board, with the assistance of the Nomination and Remuneration Committee and working with the Group CEO and Human Resources department, oversees executive officer development and corporate succession plans for the Group CEO, Executive Director(s) and other executive officers to provide for continuity in senior management.
- The successors for the Group CEO and Executive Director(s) shall be identified by the Nomination and Remuneration Committee from among the Senior Management or through external source as the Board may deem fit.
- The Board works with the Group CEO to plan for the Group CEO's and Executive Director(s)' succession. The succession plan covers identification of internal candidates, development plans for internal candidates, and appropriate identification of external candidates.
- The Board periodically reviews the Group CEO's and Executive Director(s)' succession plan. The criteria used to assess potential Group CEO and Executive Director(s) candidates are formulated based on the Company's business strategies, and include strategic vision, leadership, and operational execution. The Nomination and Remuneration Committee will review the proposed appointments giving due consideration for the expertise and other criteria required for the successor and submit its recommendations to the Board.
- The Board maintains an emergency succession contingency plan should an unforeseen event such as death or disability occurs that prevents the Group CEO and Executive Director(s) from continuing to serve. The plan identifies the individuals who would act in an emergency and their responsibilities. The contingency plan is reviewed by the Board periodically and revised as appropriate.
- The Board may review development and succession planning more frequently as it deems necessary.

## Key Success Factors

- The Board, the Group CEO, Executive Director(s) and senior management support for the succession planning process. This will give all employees an understanding and emphasis on the importance of succession planning to the Company;
- Succession is linked to the Company's strategic planning and future investment;
- Adequate time should be provided to the selected employees for development and mentoring; and

- Review and update the succession plan regularly to ensure the Company has reassessed the hiring needs and measured the development progress of the selected candidates.

## **Periodic Review**

This Policy shall be reviewed and adopted by the Board on 25 February 2021.