

SUCCESSION PLANNING POLICY

A. Policy Overview

This Succession Planning Policy is an ongoing strategic approach of KKB Group of Companies to ensure that necessary talent and skills will be available when needed, and that essential knowledge and abilities will be maintained when employees in critical positions leave.

It is a process for:

- (i) Identifying critical position to achieve operational and strategic goals
- (ii) Anticipating gaps due to retirement and other factors;
- (iii) Defining the qualified and competencies required;
- (iv) Preparing employees to be “the best can be” for emerging opportunities; and
- (v) Timely transfer of knowledge

B. Objectives

- (i) To ensure the Group is prepared with a plan to support operation and service continuity when the Group Managing Director (“GMD”), senior management or key managers leave their positions;
- (ii) To ensure a continued supply of qualified candidates to fill critical positions within KKB Group.
- (iii) To deliver the Group’s commitments and priorities and achieving operational and strategic goals for those positions which are instrumental.
- (iv) To meet the competency for critical positions that have been identified through succession planning process among high potential candidates who are being developed.

C. Roles and Responsibility

The Nomination Committee has been tasked by the Board of KKB for overseeing and guiding the succession planning process and ensuring that a Succession Plan for identified positions is developed and implemented. The Nomination Committee may in turn delegate its role to or consult the HR Department (HRBS-GM) to provide her expertise and advice to develop and execute its succession plan.

As part of the Succession Plan Policy, the positions of GMD, Group Executive Director, Executive Director and Group Chief Financial Officer will be reviewed by the Nomination Committee for Board’s approval. All other positions or new candidates will be considered and recruited by HR Department and Head of Department.

D. Succession Planning Process

- (i) The Nomination Committee defines a key position or occupational group that is considered as critical and retention risk that if vacant, would have a significant impact on the Group of Companies' ability to conduct normal business. The significance of the impact could be considered in terms of safety, operation of equipment, financial operation, efficiency, and so on.
- (ii) The succession plan covers identification of internal candidates, development plans for internal candidates, and appropriate identification of external candidates.
- (iii) Monitoring its efficiency and effectiveness will be essential. Thus, each succession plan should be developed within an evaluation framework in order to measure progress and success, as well as provide any evidence to support changes to the succession planning process.
- (iv) The Nomination Committee will review and approve the Senior Management Succession Plan as recommended by Group Managing Director and/or Group Executive Director when necessary. The criteria used to assess potential Senior Management candidates are formulated based on the Company's business strategies, and include strategic vision, leadership, and operational execution.

E. Review Succession Planning Policy

The Nomination Committee reviews the Succession Planning Policy as and when it deems necessary. The Nomination Committee may seek Management's involvement especially the Human Resource Department in assisting itself on the evaluation of Succession Planning.

The Nomination Committee shall report to the Board once a year.

*This Succession Planning Policy is reviewed and approved by the Board on **26 February 2019***

(Rev. 0 (26.2.2019))