



**MGB BERHAD**

Registration No. 200201021504 (589167-W)

---

## SUCCESSION PLANNING POLICY

---

### 1. INTRODUCTION

Changes in management are inevitable and can present unique challenges. MGB Berhad (“**MGB**” or “**the Company**”) has established a succession plan to provide continuity in the leadership pipeline and avoid extended and costly vacancies in key positions.

Succession planning requires collaboration across the organization. It is an ongoing process to ensure that the MGB and its subsidiaries (“**the Group**”) identifies high-potential employees and prepare them for high-level management positions through mentoring, coaching and training to replace those key business leaders who leaves their positions.

### 2. OBJECTIVES

- a) To ensure the stability and accountability of the Group by having a plan to support operation and service continuity when the Group Managing Director, Executive Directors or Senior Management leave their positions;
- b) To help the Group in preserving its information and knowledge that will be lost due to resignation, retirement or general attrition;
- c) To prepare a diverse pool of suitably qualifies and motivated employees for higher role and responsibilities; and
- d) To develop career paths for employees which will facilitate the Group’s ability to recruit, train and retain top-performing or high talent employee, by addressing competency and skill gaps.

### 3. ROLES AND RESPONSIBILITIES

The key positions identified are as follows:

- Group Managing Director;
- Chief Executive Officer;
- Executive Directors;
- Deputy Chief Executive Officer;
- Chief Operating Officer; and
- Head of Departments.

---

## SUCCESSION PLANNING POLICY

---

### 3. ROLES AND RESPONSIBILITIES (CONT'D)

The Board of Directors (“**Board**”) is responsible for succession planning of the Group Managing Director, Chief Executive Officer and Executive Directors’ position. The Board should consider either to hire or to internally promote the new Group Managing Director, Chief Executive Officer and Executive Directors, when anyone of the mentioned positions leaves and to ensure the successor has the required skills to implement the Company’s mission and vision.

Whereas, the Executive Directors are responsible for the succession planning of the Deputy Chief Executive Officer, Chief Operating Officer and Head of Departments’ positions.

### 4. SUCCESSION PLANNING PROCESS

- (i) Identify capabilities and talent needs, based on strategic business plan and Company’s Vision and Mission;
- (ii) Determine the required capabilities for critical positions;
- (iii) List down the competency profile of the selected employees;
- (iv) Analyze and match the competencies between the critical positions and the selected employees to identify the gaps;
- (v) Provide high level development plan for the selected employees to develop into critical positions;
- (vi) Assess the performance of the selected employees on a periodic basis; and
- (vii) Monitor and track the overall progress.

### 5. KEY SUCCESS FACTORS

The support from the Board, Group Managing Director, Executive Directors and Senior Management are important for the succession planning process. This will give all employees the understanding and emphasis on the importance of succession planning to the Group.

The selected employees should be provided with adequate time for development and mentoring. Regular review and update for the succession plan is vital to ensure the hiring needs and assess the development progress of the selected employees.

---

## SUCCESSION PLANNING POLICY

---

### 6. REVIEW

This Policy has been endorsed by the Board. It shall be reviewed by the Nomination and Remuneration Committee (“**NRC**”) and updated whenever necessary to ensure its effective implementation. Any subsequent amendments to this Policy should be approved by the Board upon recommendation by NRC.

\*\*\*\*\*

This version:	Version No. 1
File Name:	<b>Succession Planning Policy</b>
Prepared by:	Human Resource Dept
Approved by:	Board of Directors upon recommended by Nomination and Remuneration Committee
Committee Resolution dated:	24 June 2021
Board Resolution dated:	30 June 2021
Supersedes:	N/A
Last Version approved on:	N/A