
SUCCESSION PLANNING POLICY

1. INTRODUCTION

Changes in management are inevitable and can present unique challenges. LBS Bina Group Berhad 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 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

- i. To ensure the stability and accountability of the Group by having a plan to support operation and service continuity when the Managing Director, Executive Directors or Senior Management leave their positions;
- ii. To help the Group in preserving its information and knowledge that will be lost due to resignation, retirement or general attrition;
- iii. To prepare a diverse pool of suitably qualifies and motivated employees for higher role and responsibilities; and
- iv. 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

Key positions are identified as follows:

- Group Managing Director;
- Executive Directors; and
- Head of Departments (Senior General Managers and General Managers).

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

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Whereas, the Executive Director is responsible for the succession planning for the Head of Departments (Senior General Managers and General Managers) in the Group.

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 talents or employees;
- IV. Analyse and match the competencies between the critical positions and the selected employee to identify the gaps;
- V. Provide high level development plan for the selected employees to develop into target 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, Managing Director, Executive Directors and Senior Management are important for the succession planning process. This will give all employees and understanding and emphasis on the importance of succession planning to the Company.

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 candidates.

6. REVIEW

This Policy has been endorsed by the Board. It shall be reviewed by the Nomination and Remuneration Committee ("NRC") and updated from time to time to ensure the Group remains at the forefront of best practices in corporate governance. Any subsequent amendments to this Policy should be endorsed by the Board upon recommendation by NRC.
