

CEKD BERHAD

(Co. No: 201801023077 (1285096-M))

(Incorporated in Malaysia)

SUCCESSION PLANNING POLICY

1. INTRODUCTION

This policy is intended to address CEKD Berhad (“CEKD” or “the Company”) and all subsidiary companies within the CEKD Group, hereinafter refer 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 key business leaders within the Group as those key business leaders leave their positions.

2. OBJECTIVES

- 2.1 To ensure the stability and accountability of the Group by having a plan to support operations and services continuity when the Managing Director (“MD”), Executive Director and Senior Management leave their positions.
- 2.2 To help the Group in preserving its information and knowledge that will be lost due to resignation, retirement and general attrition.
- 2.3 To prepare a list of suitably qualified and motivated employees for higher roles and responsibilities.
- 2.4 To develop career paths for employees which will facilitate the Group’s ability to recruit and retain top performing or high talent employees.
- 2.5 To develop reliable assessment procedures and ensure that these procedures are applied systematically across the Group.

3. ROLES AND RESPONSIBILITIES

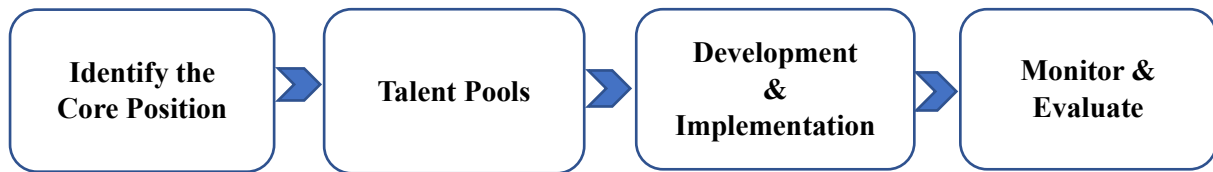
- 3.1 Key positions are identified as below:
 - (a) Managing Directors;
 - (b) Executive Directors; and
 - (c) Senior Management team
- 3.2 The Board of Directors (“Board”) are responsible for succession planning for the Managing Directors and Executive Director’s position. The Board should consider hire or internally promote the new MD and Executive Directors, when anyone of the mentioned position leaves and to ensure the successor has the required skill to implement the Group’s mission and vision.
- 3.3 The Board should have prepared themselves with an interim solution when the MD leaves.
- 3.4 The MD 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.

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4. SUCCESSION PLANNING PROCESS



- 4.1 Identify the core position, capabilities and talent needed based on strategic business plan and Company's vision and mission.
- 4.2 Analyse and match the competencies between the core position with the talent pool available to identify the gaps and finalise the selection.
- 4.3 Provide development plan and learning strategies, such as training, coaching and mentoring for the selected talent to develop into the targeted position.
- 4.4 Monitor the overall progress, assess and evaluate the performance of the selected talent on a periodic basis.

5. KEY SUCCESS FACTOR

- 5.1 The support from The Board, MD, Executive Directors and Senior Management are important 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 The selected employees should be provided with adequate time for development and mentoring.
- 5.3 Review and update the succession plan regularly to ensure the Company has reassessed the hiring needs and determine whether the development progress of the selected talent is on the right direction.

6. PERIODIC REVIEW

- 6.1 This policy shall be reviewed and updated annually by the Board, to ensure the Group remains at the forefront of best practices in corporate governance.
- 6.2 This policy is dated 23 October 2023.