



CRITICAL HOLDINGS BERHAD

(Registration No. 202201031781 (1477478-K))
(Incorporated in Malaysia)

SUCCESSION PLANNING POLICY

1. INTRODUCTION

This policy is intended to apply to Critical Group of Companies.

Succession planning is a process where the Group systematically identifies its current and future talent/leadership needs, meets these needs through recruitment, development and progression of staff, so as to ensure business continuity and meeting the Group's strategic objectives.

2. OBJECTIVES

- To ensure the Group is prepared with a plan to support operation and service continuity in the events the Group Managing Director, Executive Director and senior management personnel leave their positions;
- To nurture and attract a pool of suitable, qualified and motivated employees who are prepared 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 and 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.

3. ROLES AND RESPONSIBILITIES

- The Board is primarily responsible for establishing a clear and orderly succession plan for all senior management positions so that suitable candidates are appointed to these positions.
- The Board is responsible for succession planning for the Group Managing Director position. The Board should hire or internally promote the new Group Managing Director, when the existing Group Managing Director leaves, and ensure the new Group Managing Director has the required skills to implement the Group's mission and vision.
- The Board, through its Nomination Committee, shall work with the Group Managing Director, Executive Director, the Group Human Resources Department and other senior management personnel, to oversee executive talent development and corporate succession plans in respect of the positions of the Group Managing Director, Executive Director and senior

management personnel and key personnel, in order to maintain business and management continuity.

- The Board shall maintain an emergency succession contingency plan should an unforeseen event such as death or disability occurs that prevent the Group Managing Director 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 annually and revised as appropriate.
- The Board annually reviews the Group Managing Director succession plan. The criteria used to assess potential Group Managing Director candidates are formulated based on the Company's business strategies and include strategic vision, leadership, and operational execution.
- The Board needs to understand the current performance, competencies and potential of those in key positions in order to identify and develop plans for those key talents.

4. DEVELOPMENT AND SUCCESSION PLANNING PROCESS

Succession planning processes involve the following:

- Develop a recruitment and communication strategy.
- Determine key positions and identify present and future competencies in accordance with the Group's corporate strategic planning and objectives.
- Identify gaps in current personnel and expected competency levels.
- Identify potential existing personnel/internal candidates.
- Formulate development, coaching and mentoring plans for potential candidates.
- Consider options for new recruitments.
- Plan for leadership transition at an appropriate time.
- Have in place an interim solution when Group Managing Director leaves his position.

5. KEY SUCCESS FACTORS

- The Board, the Group Managing Director, Executive Director 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;
- 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 candidates.

6. PERIODIC REVIEW AND ADMINISTRATION

The Board, through its Nomination Committee, shall review this Policy at least once every two years. The Nomination Committee shall promptly communicate any proposed amendments to this Policy to all Directors and the amendments must be approved by the Board.

The Nomination Committee is responsible for the administration, revision, interpretation, and application of this policy.