



JAYCORP BERHAD
(Company No. 459789-X)

SUCCESSION PLANNING POLICY

1. Introduction

This policy is intended to address Jaycorp Berhad (“Jaycorp” or “the Company”) and all subsidiary companies within the Jaycorp 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 Group is prepared with a plan to support operation and service continuity when the Managing Director (“MD”), senior management or key business leader leave their positions;
- 2.2. To prepare a supply of suitably qualified and motivated employees for higher roles and responsibilities;
- 2.3. To develop career paths for employees which will facilitate the Group’s ability to recruit and retain top-performing or high talent employees;
- 2.4. To deliver a message to the Group’s employees that they are valuable; and
- 2.5. To develop reliable assessment procedures and ensure that these procedures are applied systematically across the Group.

3. Roles and Responsibilities

- 3.1. Both the Board and the MD have pivotal roles to play in succession planning;
- 3.2. The Board is responsible for succession planning for the MD position. The Board should hire or internally promote the new MD, when the existing MD leaves, and ensure the new MD has the required skills to implement the Group’s mission and vision;
- 3.3. The Board should have prepared themselves with an interim solution when MD leaves; and
- 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 and implicated employees.



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4. Development and Succession Planning Process

A primary responsibility of the Board is planning for MD succession and overseeing the identification and development of executive talent.

- 4.1. The Board, with the assistance of the Nomination Committee and working with the MD and Human Resources department, oversees executive officer development and corporate succession plans for the MD and other executive officers to provide for continuity in senior management.
- 4.2. The Board works with the MD to plan for MD succession. The succession plan covers identification of internal candidates, development plans for internal candidates, and appropriate identification of external candidates.
- 4.3. The Board annually reviews the MD succession plan. The criteria used to assess potential MD candidates are formulated based on the Company's business strategies, and include strategic vision, leadership, and operational execution.
- 4.4. The Board maintains an emergency succession contingency plan should an unforeseen event such as death or disability occurs that prevents the MD 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.
- 4.5. The Board may review development and succession planning more frequently as it deems necessary.

5. Key Success Factors

- 5.1. The Board, the MD 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;
- 5.2. Adequate time should be provided to the selected employees for development and mentoring; and
- 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 candidates.



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6. Periodic Review

This policy shall be reviewed annually by the Board.

This policy is dated 13 November 2013.