

## Succession Planning policy

### 1. Objectives

To recruit and prepare top-level executives in addition to developing candidates with high potentials for succession key corporate positions to ensure an uninterrupted flow of capable management and continuity of business operations.

- 1.1 To constantly assess the readiness of the organization whether to what extent the organization has a sufficient workforce with adequate qualifications and competencies.
- 1.2 To proactively plan the recruitment and selection of personnel in advance
- 1.3 To encourage potential internal candidates or external talents for higher leadership position
- 1.4 To prepare for transition and succession of retiring positions or any positions that are highly demanded by the market/competitor
- 1.5 To reduce the turnover rate of talented employees with knowledge, competency and experience
- 1.6 To motivate and increase retention of existing competent employees for replacement and succession, including developmental opportunities, career advancement, and promotion to higher positions

### 2. Scope

- 2.1 The Nomination and Remuneration Committee and/or the appointed committee are responsible for the regulation of the succession planning policy to ensure a proper and well-executed implementation.
- 2.2 All employees in the company and its subsidiaries with expertise, competency, and readiness

### 3. Guidelines

#### 3.1 Chief Executive Officer Level

Considering the recruitment, selection, and planning process of key positions succession - the Nomination and Remuneration Committee is in authority to formulate the succession program with respect to executive positions of the company and subsequently proposing through the Board of Directors for consideration. The Nomination and Remuneration Committee conducts a regular review to supervise an aligned implementation of the succession plan with the purpose to identify eligible candidates to succeed in executive roles. When the Chief Executive Officer position becomes vacant or the personnel to such position is unable to perform his/her assigned duties, the company has established the mechanisms to appoint an interim Chief Executive Officer from a similar executive level or a deputy position to assume the role of the Chief Executive Officer temporarily until the recruitment and selection of potential successor based on nomination criteria pursuant to the company policy is completed. The successor is required to possess with vision, knowledge, competency, experience, and adherence to corporate culture, considering by the Nomination and Remuneration Committee. The nominating candidates will be proposed to the Board of Directors for consideration and approval for appointment as it deems appropriate.

Preliminary qualifications of the Chief Executive Officer are as follows:

- a) Education level of not lower than a master's degree

- b) Experienced in management field of the Divisional Director or higher
- c) Possesses leadership skill and far-sighted vision
- d) Possesses strategic planning and organization management capability
- e) Possesses discreet decision-making, explicit problem-solving skills, and accountability to the best interests of the organization.

### 3.2 Divisional Chief Officer level

When the Divisional Chief Officer position becomes vacant or the personnel to such position is unable to perform his/her assigned duties, the Company will propose the selected successor to the Nomination and Remuneration Committee and/or the appointed committee. Procedures regarding a succession plan for Divisional Chief Officer level is as follows:

- 3.2.1 Review business situations, operational strategies, corporate policies, investment plans, and expansion plans of the Company
- 3.2.2 Assess whether the readiness of the internal workforce is in accordance with the corporate strategy both in the short-term and long-term. Formulate an explicit framework to develop the readiness of the internal workforce by creating jobs or recruiting candidates for replacement preparation to resigning positions. Design a recruitment plan and develop an Employee Training and Development program in advance prior to retirement or unanticipated early resignation.
- 3.2.3 Define underlying qualifications and relevant competencies including knowledge, expertise, personality, and attitudes necessary for each potential area of succession, then establish an Individual Development Plan specifically tailored to each individual requirement.
- 3.2.4 Conduct employees screening, evaluate their job performance, and assess the potentiality of each employee to determine their suitability to higher positions. Assign a successor to each position based on individual assessment result, potentiality analysis, and their job contributions. The nominating candidate must be notified in advance for the preparation of job transition and extended training for the new position. Alternative successors must be determined.
- 3.2.5 Develop the selected high potential candidates for respective succession positions and review whether they enhance significant growth and fulfill performance expectation. In the event that the outcomes are unlikely, the process is as follows:
  - 3.2.5.1 Carry out the selection and planning for new succession
  - 3.2.5.2 Develop an alternative successor (if any)
  - 3.2.5.3 Recruiting and selecting from external talent pools
- 3.2.6 When the successor is qualified for the position with higher responsibilities provided that such position becomes vacant or new higher positions are available, the promotion and acting (Promotion & Acting) is offered to the successor following the relevant corporate regulations or the approval of the Board of Directors and Chief Executive Officer

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3.2.7 Preliminary qualifications of the Divisional Chief Officer are as follows:

- 1) Education level of not lower than a master's degree
- 2) Experienced in management field of the Divisional Chief Officer or higher
- 3) Possesses leadership skill and far-sighted vision
- 4) Possesses strategic planning and organization management capability
- 5) Possesses discreet decision-making, explicit problem-solving skills, and accountability to the best interests of the organization.

This Succession Plan becomes effective from 28 September 2020 onwards and is reviewed at least every 1 year.

(Mr. Ormsin Chivapruck)

Chairman of the Board

Grandline Innovation Company Limited