



Succession Plan Policy

Effective from 14 May 2025

Precise Group Policy

Precise Group recognizes that human resources (winning capability) are the key driven for the organization to success and sustainable growth by recruiting personnel from inside and outside to hold important positions in preparation for the resource acquisition and human capital improvement in short and long term to be able to change and be along with the direction of the business and develop the organization according to the HPO (High Performance Organization) approach continuously.

Succession Plan Policy

Succession planning involves identifying and assessing Talent—individuals with the potential to advance into key management roles as Successors. To support this, organizations must equip these individuals with the right knowledge, skills, and experience today to ensure their readiness for tomorrow. Ultimately, the main goal is to secure new leadership or groom future leaders for the organization.

The Succession Plan Policy is a process designed to identify individuals with the potential to assume key positions across the organization, specifically management roles and core functions within each department. Any position designated as 'critical' must be assessed as vital to the organization's growth and survival, while aligning directly with the organization's future strategic goals.

An effective succession plan focuses on developing a new generation of leaders to replace those vacating their roles, ensuring a structured knowledge transfer from current leaders to future designates. Consequently, succession planning serves simultaneously as an integral part of Human Resource Development.

This is achieved by assigning senior executives the responsibility of identifying potential successors for their own roles. Selection is based on comprehensive factors—including behavior, knowledge, skills, and suitability—using measurement criteria that are accepted, fair, and equitable. This process is supported by data from management and Human Resources regarding:

- Future goals and strategic plans of the organization.
- Characteristics and needs of future personnel in relation to the organization's plans and goals.
- Maintaining knowledge and skills related to work in key positions that meet the organizational strategy.
- Strategies to create potential people and could grow to succeed in important positions

Reasons and necessity for developing a Succession Plan

Crucial factors to consider include both current and future competition. The organization must develop new forms of knowledge, technology, skills, and expertise, all managed through a systematic approach. This encompasses reporting processes, task delegation, and decision-making structures that are grounded in the changes affecting the organization.

It is vital to assess how the organization would be impacted by the lack of a systematic succession plan, and the speed at which these impacts would be felt amidst ongoing changes. Given that recruiting and preparing high-level executives from outside the organization is currently difficult, developing internal executives is undeniably the primary alternative for maintaining competitiveness and supporting future organizational growth.

Therefore, the Succession Plan Policy is a blueprint that evaluates interrelated factors and processes for retaining and replacing personnel. The succession process serves as a mechanism to predict and prevent potential problems based on possible future scenarios, preparing the workforce to address issues in both the short and long term.

Another critical process is decision-making based on systematically processed data. Selecting the right implementation model is no less important than the assessment itself, as the subsequent steps involve long-term execution requiring stability, clarity, and continuous policy and resource support from management.

The format of Succession Plan

The main formats for succession planning and recruitment are as follows:

1. Short-term or emergency plan:
Selecting individuals and immediately placing them in the position or developing suitable individuals to be ready for the position within a short period.
2. Long-term or talent development plan:
Preparing and developing high-potential individuals in advance for more than one year, using both the selection process according to the plan and the process of creating a career path.

Benefits from the preparation of Succession Plan

Succession planning emphasizes the development of internal knowledge and skills, where this value arises from the organization's accumulated operational experience. In many cases, this aligns better with organizational goals than acquiring external knowledge. Therefore, under the concept of an organization capable of creating a knowledge organization, the accumulation of internal knowledge and knowledge transfer among executives are crucial strategic priorities. The organization's goals in succession planning and talent development are as follows:

1. Improve the recruitment and development processes for key positions to make them more convenient.
2. Create a long-term talent development process, encompassing a holistic career development framework.
3. Review the organization's "Talent Pool" system to ensure that personnel assessments are appropriately recorded in the database and that their development is planned.
4. Establish a core competency development guideline to provide talent candidates with an understanding of a self-development model suitable for the organization's future and their growth.

Key Positions are necessary for Succession Plan

Executive positions, key positions in each business line, and any important positions that are assessed as having an impact on the growth and survival of the organization and are related to the organization's future strategic goals, include the following positions:

1. Chief Executive Officer (CEO)
2. President
3. Vice President
4. Chief Executive Officer – Revenue Stream (CEO-RS)
5. Managing Director

Regulations and Guidelines Succession Plan

The company has established criteria and procedures for selecting personnel to fill key management positions in a fair and transparent manner. This ensures that the company recruits executives with the necessary qualifications, skills, experience, and professional abilities through the Nomination and Compensation Committee and/or appointed committees for the recruitment/selection and succession planning of executive positions, as follows:

1. Senior Executive Positions:

These include the Chief Executive Officer and President.

The Nomination and Remuneration Committee is responsible for developing succession plans for top-level executives, to be submitted to the Board of Directors for consideration. For the recruitment and selection of individuals to fill the top executive positions within the group, the Nomination and Remuneration Committee will monitor the progress of the succession plan at least once a year. When a senior executive position becomes vacant or the incumbent is unable to perform their duties, the company will have a system in place where a similarly rated or junior executive will act as interim replacement until a qualified individual is selected based on the company's established criteria. This individual must possess the necessary vision, knowledge, skills, experience, and suitability to the company culture. The Nomination and Remuneration Committee will then select the candidate for presentation to the Board of Directors for approval.

The basic qualifications for top-level executives are as follows:

- 1) At least a bachelor's degree.
- 2) Experience in business line management or higher.
- 3) Strong leadership skills and a broad vision.
- 4) Ability to plan strategically and manage the organization.
- 5) Prudent and thoughtful decision-making and problem-solving, prioritizing the best interests of the organization.
- 6) Ability to manage the business according to good corporate governance principles.
- 7) Ability to manage the group of companies for sustainable development and growth.

2. Executive positions include Vice President, Chief Executive Officer, and Managing Director.

When an executive position becomes vacant or the incumbent is unable to perform their duties, the company will propose a selected successor to the Executive Committee or appoint one. The company's executive succession planning process includes the following steps:

- 2.1 Analyzing the company's business situation in terms of strategy, policies, investment plans, and expansion plans.
- 2.2 Assessing the readiness of the workforce in alignment with the company's short-term and long-term strategies.
- 2.3 Establishing a workforce readiness plan, including employee development or recruitment, to prepare to replace for business continuity.

- 2.4 Creating recruitment and employee training and development plan of employee retirement or early departure.
- 2.5 Defining the qualifications and competencies, which refer to the desired knowledge, skills, personality, and attitudes of employees in that position.
- 2.6 Select, evaluate performance, and assess the potential of employees to determine their suitability.
- 2.7 Use personnel testing and evaluation tools to analyze employee potential.
- 2.8 Identify successors based on the evaluation and analysis of employee potential and performance, notifying employees in advance to prepare for and learn the job, and identify alternative successors.
- 2.9 Develop and evaluate employees who are potential successors to determine if they can develop and produce the expected results. If expectations are not met, replacement can be made.