



HARN ENGINEERING SOLUTIONS PUBLIC COMPANY LIMITED

SENIOR MANAGEMENT SUCCESSION POLICY

Approved by the resolution of the Board of Directors at Meeting No. 5/2024 held on 7 October 2024.
with effect from 8 October 2024 onwards.



Supporting Document

Document Title	SENIOR MANAGEMENT SUCCESSION POLICY		
Document No.	S-HRO-031	Department	: Human Resources
Effective Date	8 October 2024	Version No.	0
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Revision History

Revision No.	Date	Description of Revision	Reason
Rev.0	10/5/2018	Prepare new documents and information	To serve as a guideline for practice.
Rev.1	19/10/2022	Add positions required for succession planning under Item 2.	To ensure clarity and appropriateness.
Rev.2	6/10/2023	Revise qualifications under Item 3 and increase the number of successors to two persons per position.	To ensure clarity and appropriateness.
Rev.3	18/9/2024	Revise the document code from S-CGO-007 to S-HRO-031.	Due to the transfer of the Company Secretary to the Administration Department, resulting in no responsibility for HR functions.



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The Nomination and Remuneration Committee shall consider and establish the Senior Management Succession Policy for submission to the Board of Directors, as follows:

1. Objectives

- To ensure the Company's preparedness with qualified and capable executives to replace senior management positions in cases of retirement, resignation, promotion, or business expansion
- To reduce the loss of knowledgeable, competent, and experienced executives
- To motivate and retain capable and high-potential executives by providing development and advancement opportunities

2. Target Positions Requiring Development/Succession Planning

Level 1 – Chief Executive Officer.	Succession Plan
Level 2 – Chief Marketing Officer, Chief Financial Officer, Chief Operating Officer	Succession Plan
Level 3 – Functional Directors and middle management.	Talent Management
Level 4 – Employees.	Management Trainee

Levels 1 and 2, the Nomination and Remuneration Committee shall be responsible.

Level 3 and below, the Chief Executive Officer shall be responsible in accordance with the Company's personnel management regulations.

3. Basic Qualifications of Level 1 and Level 2 Executives

- Bachelor's degree or higher
- Experience in business management at a level equivalent to functional director or above
- Strong leadership with broad vision
- Ability to manage change
- Ability in strategic planning and organizational management
- Prudent decision-making and problem-solving with due regard to the best interests of the organization
- Integrity and ethical conduct
- Clear and effective communication skills that foster alignment and engagement



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4. Succession Plan

- 4.1 Analyze the Company's business situation in terms of strategy, policy, investment plans, and business expansion plans.
- 4.2 Assess workforce readiness to align with the Company's short- and long-term strategies.
- 4.3 Establish workforce readiness plans by developing or recruiting executives to prepare at least two successors for each position to replace those vacating office.
- 4.4 Prepare recruitment plans and employee training and development programs in advance, at least two years prior to executives' retirement or resignation.
- 4.5 Define the qualifications and competencies—knowledge, skills, personality, and desired attitudes—required for each executive position, and develop a Succession Plan together with an Individual Development Plan (IDP).
- 4.6 Select, evaluate performance, and assess the potential of executives for consideration of suitability.
- 4.7 Conduct testing and evaluation to analyze executives' potential.
- 4.8 Identify successors based on the evaluation and analysis of executives' potential and performance, with prior notification to employees to prepare for handover and job learning, and designate backup successors.
- 4.9 Develop and evaluate prospective successors to ensure they demonstrate the expected development and performance. If expectations are not met, the following actions shall be taken:
 - 4.9.1 Conduct new selection and succession planning; or
 - 4.9.2 Develop the backup successor instead; or
 - 4.9.3 Recruit and select from external candidates.

5. Reporting

The Nomination and Remuneration Committee shall be responsible for monitoring progress and reporting the implementation results of the succession plans for Level 1 and Level 2 executives to the Board of Directors on a periodic basis, at least once per year.