

# Succession Plan

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**Takuni Group Public Company Limited**

Approved by the Company's Board of Directors Meeting No. 2/2567  
on February 27, 2024

# Succession Plan



## Principles and Rationale

Takuni Group Public Company Limited (the “Company”) has developed a Succession Plan to prepare for the organization's business operations. This plan involves aligning workforce planning and preparation with the organization's policies, goals, and business strategies. The aim is to ensure the continuity of the organization's operations both in the short and long term. The plan ensures that key positions within the organization will have successors to fill important vacant roles or new positions as they arise. Additionally, the plan involves managing high-potential or top-performing employees to retain them within the organization. It also includes planning for the development of employees' potential and abilities, improving the company's processes and operational procedures to enhance efficiency and effectiveness.



## Objectives

1. To plan and prepare the workforce in alignment with the organization's policies, goals, and strategies.
2. To manage operational risks and ensure continuity by designating successors for key positions.
3. To serve as a tool for the development of human resources for the organization's successors.
4. To place suitable personnel in key and appropriate positions.
5. To plan for the replacement and succession of important positions that are retiring or unable to perform their duties.
6. To create opportunities for employee advancement, motivating employees with good performance and conduct to stay with the organization.
7. To plan for the organization's future growth.



## 6 Key Steps of a Systematic Succession Plan

- Step 1: Define the method for succession planning in the organization.
- Step 2: Identify key positions that require successors.
- Step 3: Specify suitable qualifications for key positions.
- Step 4: Evaluate and select individuals with high potential and capability or those with accumulated experience to develop as successors.
- Step 5: Create leadership development plans for individuals expected to be successors.
- Step 6: Implement successors into their positions and continuously evaluate the effectiveness and success of the entire plan.

- **Step 1: Define the Method for Succession Planning in the Organization**

The recruitment of successors can be achieved through two channels:

1. Development of successors from within the organization.
2. Recruitment and selection from outside the organization.
  - Utilize external recruitment services such as headhunters.
  - Accept applications through various job recruitment websites such as Job Thai, Job BB.

- **Step 2: Identify Key Positions that Require Successors**

**First Line or First Level Manager**

These managers are responsible for overseeing various sub-units within the organization. They work directly with operational staff and are closely connected to them, understanding operational problems in depth. First-line managers are tasked with resolving immediate issues within their units, acting as primary sources of information for the organization regarding personnel and technical operations. Their main duties include direct supervision, control, and command of operational staff, making short-term decisions, receiving direct reports from employees, and submitting reports to middle and top management. They implement plans set by middle management and play a crucial role in increasing revenue, productivity, and operational efficiency. First-line managers typically hold titles such as department head, team leader, or supervisor.

**Middle Manager**

These managers bridge the gap between top management and first-line management. Their primary role is to translate policies, goals, and plans from top management into actionable outcomes for the organization. Middle managers facilitate communication and understanding between top and first-line management. They oversee various departments and hold positions such as department director, division manager, or branch manager.

**Top Manager**

Top managers are primarily responsible for setting the organization's policies, objectives, and critical plans, ensuring overall success. They are accountable for the organization's achievements and failures, focusing on long-term goal setting to ensure the organization's survival, growth, and competitiveness. Top management positions include Chief Executive Officer (CEO), President, Chief Officer, General Manager, Executive Vice President, and Vice President.

- **Step 3: Specify Suitable Qualifications for Key Positions**

**Procedures and Criteria**

**- Chief Executive Officer**

The selection and succession planning for the CEO position involves a recruitment and compensation committee responsible for developing the succession plan for the CEO level. This plan

is then presented to the board of directors for consideration. The committee monitors the progress of the succession plan. When the CEO position becomes vacant or the current CEO is unable to fulfill their duties, the company has a system where a senior executive or a deputy will act in the role until a qualified candidate is selected. The selected candidate must meet the company's criteria, including having vision, knowledge, skills, experience, and suitability with the company's culture. The recruitment and compensation committee is responsible for the search and evaluation, presenting the candidate to the board of directors for approval and appointment to the CEO position.

#### Basic Qualifications of the Chief Executive Officer (CEO)

- (1) Education level not lower than a bachelor's degree.
- (2) Experience in management at the department head level or higher.
- (3) Leadership skills and a broad vision.
- (4) Ability to plan strategies and manage the organization.
- (5) Judicious decision-making and problem-solving skills, considering the best interests of the organization.
- (6) Capability to analyze business situations and directions to set appropriate and effective strategies, policies, and plans for the organization.

#### **- Executives from Middle to First Line Management Levels**

When positions at the middle and first-line management levels become vacant or the current holders are unable to perform their duties, the company will present the selected successors to the Chief Executive Officer and/or HR executives. The succession planning process for executives includes the following steps:

1. Analyze the company's business situation concerning strategies, policies, investment plans, and expansion plans.
2. Evaluate the readiness of the workforce to align with the company's strategies both in the short and long term.
3. Develop a plan to ensure workforce readiness by either developing current employees or recruiting new employees to replace those who leave.
4. Create recruitment and employee training and development plans in advance, before employees retire or leave their positions early.
5. Define the qualifications and competencies, including knowledge, skills, personality, and attitude, desired for each position, and develop individual development plans.
6. Select, evaluate performance, and assess the potential of employees to determine suitability.
7. Use assessment tools to analyze employee potential.
8. Identify successors based on the evaluation and analysis of employees' potential and performance, informing employees in advance to prepare them for the transition, and identify backup successors.

9. Develop and evaluate the potential successors to ensure they can achieve the expected development and performance.

If the outcomes do not meet expectations, the following actions shall be taken:

- (1) Conduct a new selection and succession planning process.
- (2) Develop the backup successors (if any).
- (3) Recruit and select from external candidates.

When the successors meet the qualifications for higher responsibility positions and there are vacancies or new higher positions, present proposals for promotion and acting assignments according to the company's policy on job structure/levels, criteria for converting daily employees to monthly employees, promotions, and job position adjustments, or seek approval from the Chief Executive Officer.

### **Talent Management Policy and Criteria**

“**Talent**” refers to employees with exceptional abilities, outstanding performance, skills, and qualities. These individuals can be identified and selected from within the organization or recruited externally. The criteria for selecting Talent from within the organization focus on employees with high performance (KPIs/PIs) and high competency. This is determined based on performance evaluations, which must meet or exceed expectations, and the organization's core competencies must be met.

Talent Development: Once Talent has been identified and selected according to the specified qualifications and in collaboration with each department/line of work, their history and training records, as well as their achievements, will be documented. This aims to further enhance their capabilities and the organization's efficiency. The development of Talent follows the same format and criteria as general personnel development within the organization:

1. Training Need Survey: Based on the department's needs and individual requirements suitable for each position.
2. On the Job Training: Defines the requirements for individuals performing departmental duties and sets evaluation processes, whether written or practical.
3. Off the Job Training: Includes special training sessions or using simulations and case studies.

When suitable positions and complete qualifications match higher responsibility roles, promotions, and acting roles will be proposed according to the company's policy on job/position structure. Criteria include the consideration for upgrading daily employees to monthly employees, promoting positions, and gaining approval from the Executive Chairman.

- **Step 4: Evaluate and Select Individuals with High Potential and Capability or Experienced Individuals to Develop as Successors**

1. Determine Evaluators: - Peers - Supervisor

2. Set Conditions/Definitions:

- If an individual meets or exceeds 70% of the defined criteria, they are considered to have that level of competency.

3. Tools Used:

- Manual evaluation using paper forms
- Online evaluation
- Behavior observation
- Knowledge and skill tests
- Interviews
- Other appropriate methods

Compare the actual competency levels of the employees with the set standards. The difference, known as the Competency Gap, indicates areas for development. Individuals whose competencies exceed the set standards and have high potential are classified as Talent.

- **Step 5: Create Leadership Development Plans for Individuals Identified as Potential Successors**

Develop an Individual Development Plan (IDP) or a Succession Plan:

- For competencies that fall below the required standard for a position or individual, an IDP is created to close the competency gaps through additional development.

- Talented individuals or those who meet the standard criteria and have accumulated experience are selected for development to prepare them for leadership roles.

- **Step 6: Implement Successors into Positions and Continuously Evaluate the Effectiveness and Success of the Entire Plan**

The company will periodically evaluate successors, adjusting plans or changing the order of succession annually to ensure the most suitable individuals are prepared, including backup successors.

**Chief Executive Officer (CEO) Level**

- The Nomination and Remuneration Committee mandates performance measurement through key performance indicators (KPIs) that reflect the company's operations. These include duties, responsibilities, overall economic conditions, and practices of listed companies in the same or similarly sized industries.

- Performance indicators include both financial and non-financial metrics, encouraging the CEO to focus on long-term outcomes and the company's sustainability.


- In addition to evaluating performance based on KPIs, the Nomination and Remuneration Committee also assesses other essential skills necessary for the CEO to perform their duties effectively.

**From Middle to First Line Management Levels:**

- Core Competency
  - Ethics and morality
  - Teamwork
  - Achievement motivation
  - Accumulation of professional expertise
- Role Competency
  - Leadership
  - Planning and organizing tasks
  - Systematic thinking and holistic view
  - Solving problems and making decisions
  - Communication
  - Negotiating
- JD Competency
  - Knowledge and ability
  - Expertise and experience

**Policy Changes:**

The company reserves the right to cancel or amend this policy as appropriate, subject to written approval from the company's board of directors meeting only.



( Dr. Chatchai Payuhanaveechai)  
Chairman of the Board of Directors

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