Succession Plan Policy

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Definitions and Interpretation

Term	Definition
Company	Tanmiah Food Company (TFC) and its subsidiaries
Succession Planning	A process designed to ensure that Tanmiah Food Company and its subsidiaries can replace key positions seamlessly in the event of retirements, resignations, or other unforeseen circumstances, ensuring continuity.
Talent Management	A framework for identifying, developing, and retaining top talent, aligned with Tanmiah's strategic objectives, including succession planning and colleague engagement.
Talent Pool	A strategic framework within the organization for identifying, developing, and retaining colleagues with high potential and leadership capabilities at different levels.
Critical Positions	Roles identified as essential to the company's strategic objectives and operational success, assessed based on their business impact and the complexity of their replacement.
Potential Successors	Colleagues identified as candidates to fill critical positions in the future, assessed on performance, potential, and readiness through a structured evaluation process.
Nine-Box Talent Matrix	A tool used to map and assess colleagues' potential and performance to identify those suitable as potential successors for critical positions.
Individual Development Plan (IDP)	A detailed plan developed for high-potential colleagues focusing on their leadership journey, aligning with the organization's strategic objectives, and preparing them for future leadership roles.
Readiness Assessment	The evaluation of a potential successor's preparedness to take on a critical position, categorized by timelines and readiness levels such as Ready Now, 1-2 Years, and 3-5 Years.
Leadership Pipeline	The development of a diverse group of colleagues prepared for future leadership roles, ensuring the company's long-term success and sustainability.
Replacement Complexity	The difficulty of finding and preparing the appropriate talent to fill a critical position, based on factors such as talent scarcity and the uniqueness of required competencies.
Strategic Relevance	The significance of a position in contributing to the achievement of the company's strategic objectives.

Talent Scarcity	The difficulty in sourcing the right talent for a critical position, considering availability within the company and the broader market.
Talent Committee	A group responsible for managing the succession planning process, including validating key positions, reviewing potential successors, and overseeing development initiatives.

1.1 Introduction

1.1.1 Purpose

1.1.1.1 The purpose of the Succession Planning Policy is to:

- Provide a systematic process to identify and develop a pipeline of talent for key and critical positions at Tanmiah Food Company and its subsidiaries by ensuring business continuity.
- Ensure business continuity by identifying experts and specialists in technical disciplines to develop them towards critical technical positions throughout the Company
- Enable the Tanmiah Food Company and its subsidiaries to provide targeted development opportunities to retain high potential colleagues
- Ensure that a pool of potential successors exists to assume key & critical positions upon the departure or retirement of an incumbent

1.1.2 Scope and Eligibility

1.1.2.1 The Talent Management department in the HR function at Tanmiah Food Company is the custodian of the policy. It is responsible for organizing related meetings and activities, as well as implementing action plans for colleagues as a result of the Succession Planning process.

1.1.2.2 This policy applies to all identified critical and potential positions across various departments within the Company (Tanmiah Food Company and its subsidiaries). These roles are critical to the company's strategic operations and long-term success.

1.1.2.3 TFC and its subsidiaries are committed to providing career paths for colleagues which will facilitate the Company's ability to recruit, train and retain top-performing or high talent colleagues, by addressing competency and skill gaps.

1.1.2.4 The Board and the CEO will align the current and future leadership competencies with the Company's short- and long-term business strategies and goals.

1.1.2.5 BU CEOs and Group CEO will be responsible for developing succession plans for those roles and positions which are classified under middle management category.

1.1.2.6 Tanmiah's Succession Planning Policy shall be approved by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee (NRC). The NRC will oversee its implementation in coordination with the CEO.

1.2   Succession Plan Framework

1.2.1   Introduction

1.2.1.1   TFC and its subsidiaries shall adopt the following principles to create Talent Identification and Development Framework.

     a) **Align organizational goals and talent needs:** Understand the organization's strategic objectives and identify the key competencies required for success.

     b) **Conduct a talent gap analysis:** Assess the current talent pool and identify areas of strength and weakness. Determine the critical roles and skills that need to be developed or acquired.

     c) **Design talent management processes**: Develop clear and consistent processes for talent acquisition, onboarding, performance management, learning and development, succession planning, and colleague engagement.

     d) **Integrate talent management practices**: Ensure that the various components of the framework work together seamlessly, creating a cohesive talent management ecosystem.

     e) **Communicate and train:** Communicate the talent management framework to all stakeholders, providing training and support to HR professionals, managers, and colleagues on its implementation and utilization.

     f) **Monitor and evaluate**: Regularly assess the effectiveness of the talent management framework, gather feedback from stakeholders, and make necessary adjustments to improve its impact.

1.2.2   Talent Identification

1.2.2.1   The Talent Pool serves as a strategic framework to identify, develop, and retain top talent within the organization. It is essential to understand the definition and impact of each talent pool category:

     a) **Population 1:** This pool includes individuals at N-1 & N-2 levels who demonstrate exceptional skills and leadership potential. The impact of nurturing this talent pool is reflected in accelerated organizational growth, effective succession planning, and sustained high performance.

     b) **Population 2:** Encompassing staff at N-3 and below, this pool represents the next generation of leaders. By investing in the development of this group, we ensure a continuous pipeline of skilled professionals, positively impacting team effectiveness and departmental capabilities.

     c) **Population 3: Critical Technical Experts**: Roles requiring specialized knowledge crucial to operations.

1.3   Succession Planning

1.3.1.1   The overall process of succession planning is based on the following design principles:

     a) Inclusion of both managerial and technical key & critical positions that have a high business impact and replacement complexity

     b) Creation of an extensive pool of potential successors across Tanmiah Food Company and its subsidiaries as defined earlier.

c) Evaluation of the potential successors' performance against the requirements of target position, to determine readiness to assume that position.

d) Succession Planning & Readiness Assessment to be conducted to identify, nominate and develop potential successors as per their specific plans to assume key & critical positions.

1.3.2 Identification of Critical Positions

1.3.2.1 Critical areas and positions are identified based on their impact on the organization's strategic objectives and operational activities. This includes assessments of departmental functions and the strategic importance of each role. Identification of critical position is based on Job grade, specialized skills shortage, Impact on business, Role in the decision-making process.

1.3.2.2 The list of critical positions includes managerial and technical positions and is developed based on the aspects of high business impact and high replacement complexity.

1.3.2.3 **Business Impact** for a position consists of the following criteria:

a) **Strategic Relevance**: Significance of the position in achieving Tanimah's strategic objectives

b) **Business Continuity**: Criticality of the position for successful operations of the entity

1.3.2.4 **Replacement complexity** for a position consists of the following criteria:

a) **Talent Scarcity**: Difficulty in finding the appropriate talent to fill the position.

b) **Uniqueness**: Contribution of factors such as niche technical skills, high proficiency levels for specific competencies, etc.

1.3.2.5 A critical position is one that is high on both business impact and replacement complexity.

1.3.2.6 The methodology for assessment will be based on a scoring system as detailed in **Appendix A: Scoring System for Critical Positions Identification.**
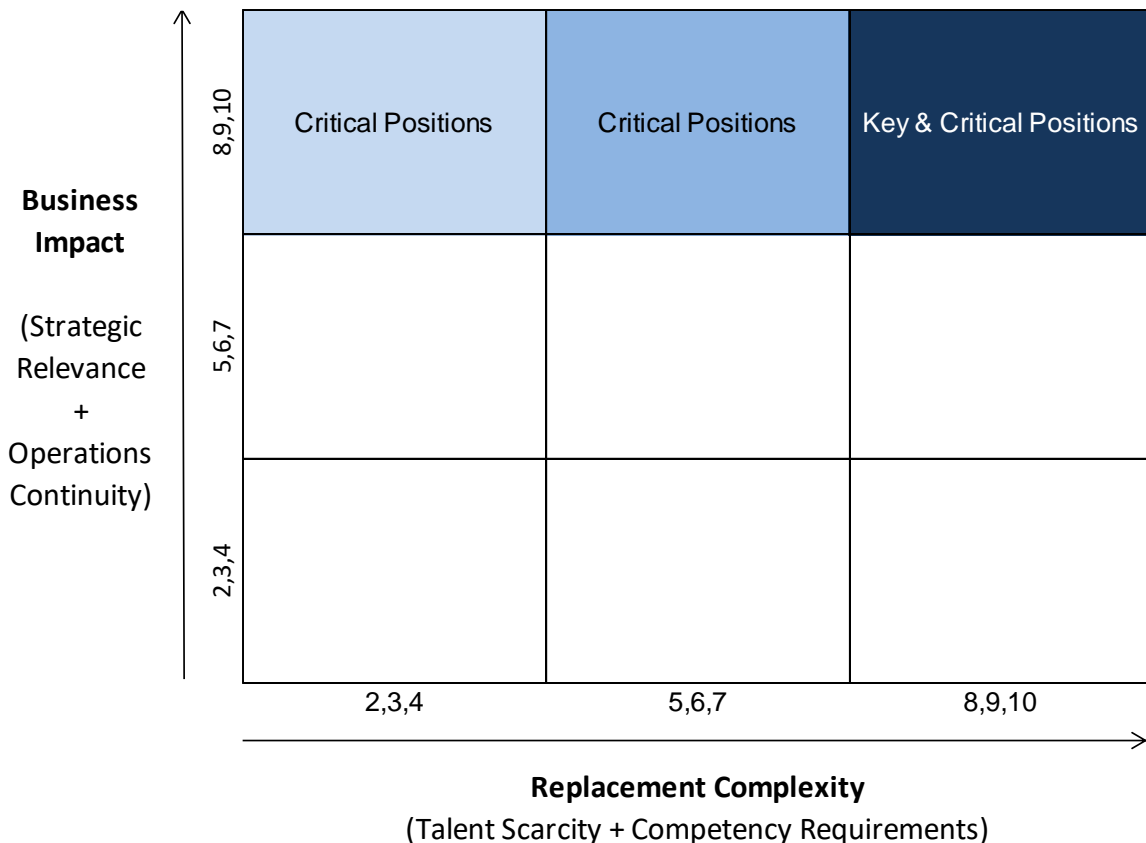
Business Impact

(Strategic Relevance + Operations Continuity)

Business Impact ↑	Replacement Complexity →	
8,9,10 Critical Positions	Critical Positions	Key & Critical Positions
5,6,7		
2,3,4		
	2,3,4	**5,6,7**	**8,9,10**

Replacement Complexity

(Talent Scarcity + Competency Requirements)

Figure 2: Identification of Key & Critical positions based on Business Impact & Replacement Complexity

1.3.2.7 Each Tanmiah or its subsidiaries division/ department will assess their positions as per the above criteria and the consolidated list will be reviewed and approved by BoD & CEO. This process will be conducted annually along with the Manpower Planning process.

1.3.2.8 The scoring system for critical positions will be as follows:

a) Business impact is scored on a scale from 2 to 10 and is the sum of the "strategic relevance" score (1 to 5) and of the "operations continuity" score (1 to 5)

b) Replacement complexity is scored on a scale from 2 to 10 and is the sum of the "talent scarcity" score (1 to 5) and of the "complexity requirement" score (1 to 5)

c) The final score for a position shall be the sum of business impact and replacement complexity scores

1.3.2.9 Critical positions are those which have received a total score in the range of 8 to 10 for both business impact and replacement complexity

1.3.3 Identification of Potential Successors

1.3.3.1 The purpose of this step is to identify the best colleagues who can be nominated for a given critical position, in case they become vacant and perform their readiness assessments by internal or external assessors.

1.3.3.2 For colleagues to be eligible and identified as a potential successor, they should be employed on a full-time and regular basis.

1.3.3.3 The Talent Management Team, in coordination with Function Chiefs and Department Managers develops a short-list of succession candidates for each critical position. The team also aims to identify candidates outside the line of sight of the critical position in order to make the succession pipeline more robust and to offer cross-entities mobility opportunities

to colleagues.

1.3.3.4 The identification of a potential successor is based on a combination of both performance and potential. High level of performance is thus an essential, but not the only parameter.

1.3.3.5 A nine-box talent matrix is used to map and assess colleagues towards identification as a potential successor, as outlined in **Appendix B: Nine-Box Talent Matrix for Mapping Potential Successors.**

1.3.3.6 To evaluate the performance aspect of a potential successor candidate, an analysis will be done on the colleague's last three performance management cycles, including performance rating, feedback and Individual Development Plans. The candidate should have a rating of 3 (Meets Expectations) or above in all the cycles.

1.3.3.7 Assessing the potential aspect of a potential successor candidate will consist of the following:

a) **Aspiration**: Preference of colleague to be in fast-paced and dynamic environments, seeking roles involving autonomy and responsibility, etc.

b) **Ability**: Strength of a colleague in terms of conceptual knowledge, effective communication, getting things done, inspiring others, etc.

c) **Behavioral and Leadership** – applicable to all identified positions.

d) **Technical** – applicable to certain identified positions requiring technical expertise.

1.3.3.8 Once all potential colleagues have been evaluated and assessed based on the Nine-box Talent Matrix, ones mapped in Top-Right boxes of 'Growth Colleague', 'Consistent Star' and 'High Impact Performer' shall be considered as Potential Successors.

1.3.4 Formalizing Individual Development Plans

1.3.4.1 The IDP, designed to focus on high-potential individuals initially and gradually expand to encompass a diverse group, aims to:

a) High-Potential Focus: Initiate with a selective group of high-potential individuals who demonstrate exceptional promise for leadership roles and progression within Tanmiah.

b) Leadership and Succession Journey: Capture the comprehensive leadership journey and succession planning for identified talents, ensuring alignment with the organization's strategic objectives and long-term sustainability.

c) Classification and Program Listing: Incorporate a clause specifying the classification of colleagues based on their potential and the diverse programs available at Tanmiah. This will include an extensive listing of various developmental programs accessible within the organization.

d) Long-Term Sustainability: Develop a sustainable long-term plan within the IDP framework, ensuring continuity and adaptability to evolving organizational needs and industry advancements.

1.3.4.2 Development plans will be aligned with specific Key Performance Indicators (KPIs) relevant to the successors' targeted roles.

1.3.4.3 Each successor will have a detailed Individual Development Plan jointly developed in accordance with the result of the conducted assessment by the CHRO and then goes to Talent Management Team and the line manager input that reflects the candidate's developmental needs.

1.3.4.4 The preparation of the succession plans must involve the input and participation of the

selected successors, to ensure the process is aligned with their own career aspirations.

1.3.4.5   The identification of potential successors and the successful completion of the succession management program does not guarantee a promotion to the targeted positions.

1.3.5   Readiness Assessment of Potential Successors

1.3.5.1   The Talent Management team will ensure that the succession planning process prioritizes the development of a diverse leadership pipeline, offering equal opportunities to colleagues across gender, background, and experience.

1.3.5.2   The potential successors, in close coordination with Line Managers, Function Chiefs, Department Managers will execute their development plans through their Individual Development Plans (IDPs).

1.3.5.3   The Talent Committee will review the Performance Evaluations and IDPs for the potential successors and validate the readiness assessment based on parameters including:

a) Qualifications and professional experience

b) IDPs including the status of development plans and professional career aspirations

c) Year-end performance review data including adherence to Tanmiah values and code of conduct

d) Any technical or behavioral assessment results

1.3.5.4   The Talent Committee shall consist of the following members:
- **Chief Executive Officer (CEO).**
- **Core Members**:
    o Chief Human Resources Officer (CHRO)
    o Chief Operating Officer (COO)
    o Chief Financial Officer (CFO)
    o Other Senior Executives as deemed necessary
- **Advisory Members**:
    o Members of the Board of Directors (as required)
    o External HR consultants or advisors (if applicable)

1.3.5.5   Each potential successor will be assigned one of the below readiness levels, with reference to the key/critical position:

Readiness Level	Timeline for ready to ascend	Nine-Box Titles	No. of levels ready to ascend
R0	Ready Now	Consistent Star	1-2 levels
R1	1-2 Years	Growth Colleague	2 Levels
		High Impact Performer	1 Levels
R2	3-5 Years	Core Colleagues	1 Levels
		Enigma	2 Levels

1.3.5.6   The names of potential successors will be kept strictly confidential and shall not be revealed to any colleagues who are not involved in the succession planning process.

1.3.5.7   The Talent Committee may decide to relax the criteria for identifying potential successors as

per a specific critical position, if:

a) The uniqueness of the critical position may require customizing the criteria

b) Not enough potential successors are found based on existing criteria, especially at the required readiness levels

1.3.6 Execution of Succession Planning

1.3.6.1 Talent Management, in coordination with the Department Head, will develop specific action plans (including learning solutions) for each potential successor, to fill gaps as identified in the readiness assessments towards targeted key & critical positions.

1.3.6.2 The action plans will be integrated into IDPs in line with the L&D policy, and will be developed by considering:

a) Review of performance records to determine current competencies' proficiency levels

b) Discussions with Line Manager and Departments Heads to understand career objectives and interests

c) Recommendations and action items as detailed in the readiness assessments

1.3.6.3 The action plans may include a combination of the following:

a) Leadership assessment/development centers, to identify gaps and design appropriate learning solutions.

b) On-the-job learning, to acquire technical and behavioral skills by performing more complex tasks in addition to current job duties.

c) Colleague mobility, to provide opportunities for job and project rotations across TFC and its subsidiaries.

d) Specific learning solutions for enhancing technical and behavioral competencies relevant to targeted key/critical positions, including learning programs and attending conferences/seminars.

e) Coaching & Mentoring.

1.3.6.4 The costs incurred for L&D activities, as part of any action plan, will be charged back to the potential successor's current department. The Talent Management Team will work with the concerned stakeholders to keep them informed.

1.3.6.5 When a key/critical position becomes vacant, the line manager of this position and HR will first check the potential successors' list to find the best candidates.

1.3.6.6 As succession planning provides information based on a robust and fair process, the aim should be to fill as many vacant key and critical positions with identified potential successors as possible. However, filling the vacant position with a potential successor (identified by the Succession Planning process) is not mandatory.

1.3.6.7 In case there is no "Ready now" potential successor identified for a key and critical position, the following approaches are available:

a) Accelerating the development of a potential successor who is not yet ready, while leaving the key and critical position vacant for the meantime

b) External sourcing of talent, in case the impact of vacancy is too high and the timeframe for accelerated development is too long

1.3.6.8 The Talent Committee shall meet at periodically to manage the succession planning process, by:

a) Validating the identification of any new key & critical positions and potential successors,

including reviewing performance and potential assessment of existing successors, the nomination of new colleagues, and recommendation of development activities

b) Reviewing the performance and readiness level of all potential successors, including review of performance evaluations, monitoring progress as per IDPs, recommending development initiatives and removing colleagues from the potential successors list if development targets aren't met.

1.3.7 Monitoring and Evaluating of Development Plans

1.3.7.1 The Talent Management team at Tanmiah is responsible for overseeing the monitoring and evaluation of development plans for identified successors.

1.3.7.2 The Talent Management team will conduct regular reviews of the development plans of identified successors.

1.3.7.3 The effectiveness of the succession planning process will be evaluated through specific KPIs, including internal promotion rates, diversity in leadership pipelines, and the retention rate of high-potential colleagues.

1.3.7.4 The Talent Management team shall conduct periodic individual assessments to evaluate each successor's preparedness for the target roles.

1.3.7.5 Assessments will consider a range of factors, including technical proficiency, leadership skills, and cultural alignment.

1.3.7.6 The Talent Management team will maintain accurate records of each successor's development journey and share periodic reports with senior management, highlighting key insights, achievements, and areas for improvement.

1.3.7.7 Recognizing the dynamic nature of organizational needs, the Talent Management team may allow for continuous adjustment of development plans. Adjustments shall be made in consultation with successors and their immediate managers.

1.4 Appendix

Appendix A: Scoring System for Critical Positions Identification

Aspect	Criteria	1 -Very Low	2 - Low	3 - Intermediate	4 - High	5 - Very High
Business Impact (Score is the sum of ratings for criteria **Strategic Relevance** and **Operations Continuity**)	**Strategic Relevance:** What is the significance of the position in achieving the entity's strategic objectives?	No direct impact on strategic objectives	Support for the delivery of strategic objectives of the Department	Expertise significant to the delivery of the strategic objectives of the Department	Direct accountability for at least one KPI linked to department objectives or significant support to Tanmiah strategic objectives	Direct accountability for several KPIs linked to Tanmiah strategic objectives
	Operations Continuity: What is the criticality of the position for the successful operations of the entity?	No direct impact on day-to-day operations	Minimal impact on operations and on HSE risks	Significant impact on operations and on HSE risks	High impact on the effectiveness and efficiency of operations	Critical impact on the continuity of operations and/ or HSE risks
Replacement Complexity (Score is the sum of ratings for criteria **Talent Scarcity** and **Uniqueness**)	**Talent Scarcity:** How difficult is it to find the talent (preferably nationals) required to fill the position?	Routinely available in the same department and in the market	Available in other departments or entities and in the market	Available in other entities, or readily available on the market	Only 1-2 similar positions at Tanmiah, time to recruitment from the market is higher than 3 months	Shortage in the industry, time to recruitment from the market is higher than 6 months
	Uniqueness: How complex and unique are the competencies and technical skills required for this position?	Time to required proficiency level or technical skills is only a few weeks	Time to required proficiency level or technical skills is a few months	Time to required proficiency level or technical skills is 6-12 months	Time to required proficiency level or technical skills is 1 – 3 years	It takes multiple years of experience to develop the required competencies and technical skills

Appendix B: Nine-Box Talent Matrix for Mapping Potential Successors

	Low	Medium	High
High	**Enigma** High Potential to advance further, although could be new to a role or have wrong role/manager	**Growth Employee** Valued Talent - Demonstrates potential to advance further; Challenge, reward, recognize and develop	**Consistent Star** Top Talent - Highest Potential and best option for succession; Recognize, Promote and develop
Medium	**Dilemma** Has scope to move up; Needs challenge, may be out of step with change/growth or in the wrong role	**Core Employee** Has scope to move up 1 level; Constant, consistent performance, May need career development	**High Impact Performer** Scope to move up 1 level; May need challenge and development plan to keep in sync with change and growth
Low	**Under-Performer** Manage performance or exit	**Effective Specialist** Specialized / Expert talent - May have peaked in career; Engage, focus, motivate	**Trusted Professional** Specialized / Expert talent - Reached career potential; Retain, reward, use to develop others

↑ Full Potential (Ability + Commitment + Motivation)

→ Sustained Performance (WHAT and HOW they accomplished Objectives)

Colleagues mapped in Top-Right boxes (Dark-Blue or Green) of 'Growth Colleague', 'Consistent Star' and 'High Impact Performer' shall be considered further for assessment and identification as Potential Successors.