



# **SIM LEISURE GROUP LTD**

## **SUCCESSION PLANNING POLICY**

Category	Corporate Governance
Subject	Succession Planning Policy
Approved by	Nominating Committee and Board of Directors
Effective Date	21 February 2024
Reference	CG-2023-2

## **1. PURPOSE OF THE POLICY**

- 1.1 This policy (the “**Policy**”) sets out the approach and guidance of Sim Leisure Group Limited (“**Sim Leisure’s**” or “**Company’s**”) and its subsidiaries (“**Group**”) in relation to succession planning of the Board of Directors (“**Board**”) and the entire organisation of the Group with a view of ensuring sustainable supply of capable personnels to assume the responsibility and position of the departing executive board member and key business leader and/or management personnel.

## **2. PRINCIPLES AND OBJECTIVES OF THE POLICY**

- 2.1 The Group put in place a process and plan that will support and ensure continuing operations with manageable or limited disruption (if any) in the event of the departure of its Executive Director, Chief Executive Officer, or Key Management Personnel.
- 2.2 The Group promotes and supports the process of identifying and developing the personnel with multi skills, talents, and knowledge through amongst others various enhancement programs, on-job training, job rotation and mentoring, to facilitate human capital development and constant supply of suitable and capable candidates to fill vacancy/position of departing key business leader/management personnel and for the expansion of business operation of the Group.
- 2.3 The process facilitates the development of and provides clarity to, the career path for the Group’s personnel hence enabling the Group to retain performing and capable business leader/management personnel and recruit suitable talents and candidates for its managerial roles. It also encourages healthy competition amongst the personnel and motivates personnel to work towards and seek greater roles and responsibilities.
- 2.4 The Group maintains and promotes a transparent and reliable monitoring and assessment procedures and ensures that these procedures are consistently adopted throughout the Group.

## **3. RESPONSIBILITIES**

- 3.1 The Board and Chief Executive Officer of the Company play a crucial role in and are responsible to facilitate and promote, the succession planning across the business operations of the Group.

- 3.2 The Board is responsible for succession planning for the Executive Director and Chief Executive Officer positions with the option of 1) an external hire through constant engagement with executive search firms for a pool of potentially suitable candidates or 2) inhouse promotion of suitable Key Management Personnel, while setting out an interim solution/measure for an unexpected vacancy of such position. This together with an interim appointment, will facilitate continuity of the momentum and implementation of business strategies laid down by the Board, with limited disruption/delay (if any) in the event of the Executive Director or Chief Executive Officer unexpectedly leaves office.
- 3.3 The Chief Executive Officer in consultation with the Executive Director, shall be responsible to promote and ensure succession planning process is introduced and put in place across the Group for key managerial positions with active participation of Key Management Personnel and identified level and suitable personnel.

#### **4. SUCCESSION PLANNING PROCESS AND REVIEW, COORDINATION AND MONITORING**

- 4.1 The Board with the assistance of the sub-committee board, Nominating Committee (“NC”) oversees the executive development and succession plan for the Executive Director and Chief Executive Officer, to endeavour to maintain continuity in senior management and operations of the Group. This entails close coordination between the NC, the Human Resource (HR) department and the Chief Executive Officer.
- 4.2 The Executive Director and Chief Executive Officer succession plan include identification of internal candidates and appropriate development plans to equip the identified candidate with relevant skills and capability for the position while the Board keeps abreast of suitable external candidates from the executive search firms for potential external hire. In doing so the Board seeks input and assistance from the Executive Director and Chief Executive Officer.
- 4.3 The Board reviews and deliberates (if required) on the succession plans for the Executive Director and Chief Executive Officer as well as the policy on an annual basis or as and when it deems necessary. The criteria for the review, assessment and identification of potential candidates are formulated principally based on the Group’s business strategies, operational execution and long-term goals and vision.
- 4.4 The continuous support from the Board, Executive Director, Chief Executive Officer, or Key Management Personnel of the succession planning process is critical to encourage active participation of all personnel and resonate the importance of such



succession plan for the well-being of the personnel and sustainability of the Group's operations.

- 4.5 A realistic and reasonable timeline shall be considered/given for the identification, review, selection, and development as well as mentoring and monitoring of candidate for the succession planning process to ensure it support the objective of a sustainable supply of suitable and capable personnels across the Group. Review and update of the succession plan is subject to the hiring needs of the Group and progress of the development of the identified candidates.

*END OF THE POLICY*