



Succession Planning

POLICY

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Succession Planning Policy

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Policy / Process Control Review Authority: **Compliance Management Group**
Corporate Governance and Data Privacy

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Board approval authority: **Jose P. de Jesus**
Chairman of the Board Date: _____

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Effectivity Date of last revision **December 2022**

Date of governing policy review* **February 2027**

***unless otherwise indicated, this policy will still apply beyond the review date**

Related legislation, standards, policies, procedures, guidelines, and protocols **Code of Corporate Governance for Publicly Listed Companies**
Amended Manual on Corporate Governance
Nomination and Election Policy
Retirement Plan
Performance Management Framework

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1. Purpose

CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC. (the “Company”) acknowledges that Succession Planning is an important process in the Company. The Company has always endeavored to nurture, train, and increase the skill sets of employees at all levels, with the key objective of ensuring smooth succession without impeding the performance in current roles and responsibilities. The Company recognizes that Succession Planning is a continuous process and thus, intends to put in place this Succession Planning Policy that aligns talent management with the objective of enhancing the Company’s capabilities to address Talent Management, and C-Suite Succession Risks.

2. Scope

This policy applies mainly on the Succession Planning at the Board of Directors and Senior Management Level, (C-Suites and Officers disclosed with the Philippine Stock Exchange).

3. Policy Statements

The Company adheres to SEC Memorandum Circular No. 19 Series of 2016 or the Code of Corporate Governance for Publicly Listed Companies (the “CG Code”). Recommendation 2.4 of the CG Code states that the Board shall adopt an effective succession planning program for directors, key officers, and management.

The Company aims to ensure that the business of the Company will not be affected on account of voluntary or involuntary cessation from office or position of any member of the Board and Senior Management. To address the foregoing, the Company shall identify and create a talent pool of candidates and high performing personnel who can be considered for nomination, election, or appointment at the Board and Senior Management Level positions and to equip them to assume such leadership roles.

4. Implementation Process

A. Positions at the Board of Directors’ Level

The Company recognizes the importance of benefitting from the expertise, experience, and wisdom of its Board of Directors. As a policy, directors may continue to serve based on their ability to perform and discharge their duties effectively and willingness to serve regardless of age. Any change in the Board of Directors (particularly relating to resignation and/or retirement) shall call for the implementation of this policy at the board of directors’ level.

The responsibility of ensuring timely replacement for the position of director of the Board lies with the Corporate Governance Committee, having the nominations and elections functions at the board level. Said Committee shall lead in evaluating the qualifications of individuals nominated for directorship, while acting in the best interest of the Company, consistent with projected strategic prerogatives and in line with principles of board diversity. Any

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change in the composition of the board shall be immediately referred to the Corporate Governance Committee, pursuant to its functions under the Nomination and Election Policy. Said Committee shall not be precluded in providing strategic recommendations in the nomination and election of directors.

In case of vacancy in the Board, the Corporate Governance Committee shall determine and identify the qualified nominees and recommend to the Board, if the remaining directors still constitute a quorum, to elect a qualified nominee to fill the vacancy. Said Committee shall endeavor to use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for director candidates to be presented to the Board of Directors.

B. Positions at the Senior Management Level

The Head of Human Resources will take the lead in crafting a pro-active and contingent plan to deal with sudden exits at the Senior Management Level. The Human Resources Department shall institute an annual talent review and assessment process to identify high potential talents who will be in the talent pool of succession candidates and included in the future leaders' bench for key senior management positions.

The Company shall invest in the continuing education, training, mentoring, and development of identified successors with differentiated development interventions to accelerate their readiness toward their senior management position trajectory and build a pipeline of future leaders across the following readiness classifications: 1) Ready Now; 2) Ready in 12-24 months; 3) Ready in 24-36 months.

In the event of any vacancy at Senior Management Level, the Remuneration Committee shall meet to review and approve the action plan to fill the critical position, which plan shall be prepared by the Head of Human Resources of the Company. The action plan shall identify and short list potential candidates from the succession pool, taking into consideration their readiness level. In the absence of a "Ready Now" candidate, this may alternatively involve the selection of an external candidate having the requisite skills, experience, leadership quality, and expertise deemed necessary for the vacant position.

In choosing an external candidate (over an internal candidate from the succession pool), the Head of Human Resources shall include in the recommendation to the Remuneration Committee, factors such as culture fit, leadership by example, ability to work with and motivate a team and with other senior leaders, and capability to significantly contribute towards the achievement of the strategic business objectives of the Company.

C. Positions in Other Levels

Apart from the key positions mentioned above, the Company may craft a succession plan in other leadership positions which are vital for the Company's growth and operations.

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5. Disclosure Requirements

Any vacancies and resulting election or appointments in the Board and Senior Management Level shall be disclosed immediately with the Securities and Exchange Commission and the Philippine Stock Exchange.

6. Confidentiality

All persons responsible for the execution of this Succession Planning Policy shall ensure confidentiality of the discussions and decisions regarding the prospective candidates, except any information which will help the candidate prepare for such election or appointment to the Board or Senior Management Level.

7. Monitoring and Review

The Remuneration Committee shall assess the effectivity and implementation of this policy annually, or as frequently as may be determined by the Board.

The Remuneration Committee shall provide the Board with recommendations in amending this policy, should the need arise. The Committee shall likewise enact all amendments or recommendations approved by the Board, relative to this policy.

8. Effectivity and Compliance

The Remuneration Committee is tasked with the dissemination of this policy to the Company's stakeholders. This policy shall be made visible on the website of the Company.

9. Related document references

- Amended Manual on Corporate Governance
- Nomination and Election Policy
- Retirement Plan
- Performance Management Framework

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