

SUCCESSION POLICY

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Document Revision History

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All	0	Initial Issue	28 September 2022

Document Control

This document shall be reviewed annually by the ACEN Corporation Corporate Governance and Nomination Committee.

Succession Plan Principles

ACEN CORPORATION (the "Company") believes that having a strong succession bench with a pool of competent employees qualified to shift into specific leadership roles is critically important to the continued success of the business. Measuring the readiness level of talent to fill in current and future key positions will ensure the continuity of the Company's growth and survival.

Succession planning shall be implemented using impartial criteria and conducted in a manner that is fair, systematic, efficient, and effective. Selection of potential candidates shall incorporate diversity, equality and inclusion principles and will not have bias on age, sexual orientation and/or gender identity, disability, social status, political opinion, religion, nationality, marital or parental status, ethnicity or other status protected by law.

Purpose

The succession plan is intended to give assurance and confidence to all stakeholders of the Company, demonstrating that changes in leadership would be carefully planned, communicated, and implemented by the Management and the Board of Directors.

Succession planning is an ongoing process of identifying, assessing, and developing people to ensure the organization's continued effective performance through leadership continuity. The plan includes succession for the Company as a whole and its leadership positions.

Guidelines

1. The Board shall be responsible for adopting an effective succession planning program for directors.
2. Responsibility for management succession planning rests with Management from line executives up to the President and CEO. Line executives are in the best position to develop the plans that influence future succession. Since management succession planning involves identifying future management replacements and developing potential candidates for their new assignments, this activity is largely a line management responsibility. However, Human Resources is critically important in driving the plan's implementation. As an enabler, Human Resources shall establish the tools, process guidelines, and cadence in the implementation working closely with line executives.
3. The Company shall put in place a talent management and development framework that will enable the development of identified candidates. It will cover various tools and intervention that will measure the strengths, gaps, potential and readiness level of the candidate.
4. The Company shall support the development growth needs of its employees by providing training and development opportunities. However, the employee shall have the primary responsibility for managing his or her personal and professional growth.
5. The Company shall institutionalize a strategic workforce plan to have a rhythm in supplying the right talent at the right time. Growing talents from within is a priority to fill in the talent succession bench. However, attracting potential talents from the market is an option to balance the bench strengths and infuse the organization with new blood. External hire offers additional value on knowledge, experience, and best practices that will challenge the status quo, bring in new ideas, and keep the organization abreast on the industry where the Company competes.

Guidelines for Board Succession:

1. The Corporate Governance and Nomination Committee shall be responsible for recommending the succession plan candidates for membership to the Board.
2. The succession plan shall comply with the qualifications and disqualifications standards set in the Company's Manual of Corporate Governance for identification of potential candidates for membership to the Board.
3. The succession plan may consider and provide for rotation of directors through Committee Chairperson positions and memberships to provide for a balance of continuity and rotation in the leadership role.
4. The succession plan shall consider the retirement age of potential candidates for membership to the Board.
5. The Company shall use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.

Guidelines for Management Succession

- a. The Management Succession Planning process entails the following activities:

STEP	ACTIVITY	RESPONSIBILITY CENTER
1	Through a strategic workforce planning exercise, determine key positions to fill including the needed knowledge, skills, attitude, and other position requirements to perform the role.	Line Executive/ HR Head
2	Identify potential candidates from within (Determine to either buy, build or borrow talents).	Line Executive
3	Evaluate strengths and weaknesses of identified candidates through rigorous performance evaluation, talent review and competency gaps assessment.	Line Executive / HR Head / Business Unit Head/ President and CEO
4	Select the best fit candidate and determine developmental needs by documenting an individual development plan	Line Executive/ HR Head / Business Unit Head/ President and CEO
5	Develop and implement the appropriate development plans guided by the Company's Learning and Development Philosophy.	Line Executive / HR Head

- b. The Management Succession Planning Program will be carried out as follows:


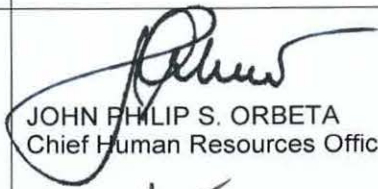

- i. The Management Committee shall identify the executive level and critical middle management level positions that will be covered by the Management Succession Planning Program.



- ii. Each Business Unit Head shall commit to keep a Management Succession Plan duly approved by the CHRO and President/CEO. The Management Succession Plan will consist of:
1. Replacement / Organizational Chart - This is designed to provide a pictorial representation of key management positions, their relationships, and need for and availability of replacements.
 2. Position Requirements of the Job - This will help the concerned Executive/ Manager match the qualification requirements of likely candidates.
 3. Individual Talent Development Plan that contains:
 - i. Readiness Assessment. A summary of the competency and performance evaluation and recommendation detailing the candidates' gaps against the position requirements including their main areas of strengths and weaknesses. This will guide the decision makers as they prepare the most qualified successor to assume future positions.
 - ii. Development Plan. Describing the learning and development path of the talent which may include seminars, workshops, on-the-job training, new or cross training assignments, special projects, expansion of roles, or continuing education and any intervention that will equip the candidate with the needed developmental experience to prepare him/ her for the job.
 - iii. Career Discussion. Coinciding with the performance appraisal period of each year and as part of the performance appraisal of the incumbent talent, the Line Executive will discuss and review with the incumbent the progress in developing his/her identified successor from the previous year's development efforts and to plan for the present year's process.

Approval:

This policy shall be approved by the Board upon endorsement of the Corporate Governance and Nomination Committee. The policy will be reviewed annually and revised as needed. Any change/amendment to this Policy shall be approved by the Board of Directors of the Company.

Date of Board Approval:	28 September 2022
Date of Committee Approval:	2 August 2022  CONSUEZO D. GARCIA Chairperson, Corporate Governance and Nomination Committee
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