

PRIME ORION PHILIPPINES, INC.

MANAGEMENT SUCCESSION PLANNING

1. Statement of Policy

It is the policy of the Company to ensure the all-time availability of qualified and ready talent for Executive Level and critical Middle Management Level positions in the Company, thus securing the continuance of work and the Company's survival.

2. Guiding Principles

2.1 Responsibility for Management Succession Planning rests with organization officials from Line Executives up to the President. Operating 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. HRD provides staff support by developing the process and helping line executives implement them.

2.2 Potential candidates from within should be given the opportunity of priority consideration for openings in the organization to give meaning to our employee development efforts.

2.3 The Company supports the development growth needs of our employees by providing training and development opportunities, but the Company has to make the employees realize that they have the primary responsibility for managing their personal and professional growth.

2.4 Hiring someone from outside may be considered if the Company wants fresh ideas and if there are no qualified and ready talent to fill-up the vacancies.

3. General Guidelines

3.1 This policy covers Executive Level and critical Middle Management Level positions in the Company.

3.2 Management Succession Planning follows a process consisting of 5 steps, as follows:

STEP	ACTIVITY	RESPONSIBILITY CENTER
1	Determination of KSAO (knowledge, skills, attitude and others) of the job.	Line Executive/ HR Head
2	Identification of potential candidates.	Line Executive
3	Evaluation of strengths and weaknesses of candidates.	Line Executive / HR Head / Company President/ Group

		President
4	Selection of the candidate of best fit and determination of developmental needs.	Line Executive / HR Head / Company President/ Group President
5	Development and implementation of appropriate developmental experience.	Line Executive / HR Head

3.3 The Management Succession Planning Program will be carried out as follows:

- 3.3.1 The Management Committee of each Company identifies the Executive Level and critical Middle Management Level positions that will be covered by the Management Succession Planning Program.
- 3.3.2 Each concerned Executive/ Manager of a unit presents a formal Management Succession Planning Proposal for approval of the Company President and the Group President.

The Management Succession Planning Proposal (Refer to Appendix 1 for Sample Format), will consist of:

- Replacement Chart – This is designed to provide a pictorial representation of key management positions, their relationships, and need for and availability of replacements.
 - KSAO Requirements of the Job – This will help the concerned Executive/ Manager match the qualification requirements of likely candidates.
 - Summary of Evaluation and Recommendation – This detailed evaluation of the candidates (based on the KSAO Requirements of the job) including their main areas of strengths and weaknesses, will guide the decision makers as they prepare the most qualified replacements to assume future positions.
 - Development Plan - This includes seminars, workshops, on-the-job training, cross assignments, etc. (with timeframe), will equip the candidate with the needed developmental experience to prepare him/ her for the job.
- 3.3.3 Coinciding with the performance appraisal period of each fiscal year or calendar as the case maybe and as part of the performance appraisal of the incumbent Executive/ Manager, the Group President / Company President will discuss and review with the incumbent Executive/ Manager the progress in developing his/her identified successor from the previous year's development efforts and to plan for the present year's process.