

Ref . No.

FP-016



FARM PRICE HOLDINGS BERHAD
[Registration No. 202301019404 (1513326-T)]
(Incorporated in Malaysia)

SUCCESSION PLANNING POLICY

1. INTRODUCTION

This Succession Planning Policy ("**Policy**") is intended to address Farm Price Holdings Berhad ("**the Company**") and all its subsidiary companies ("**the Group**")'s continuity in leadership for all key positions.

Succession planning is a process designed to ensure that the Group identifies and develops a talent pool of employees through mentoring, training and job rotation to replace vacant key positions due to resignation, retirement, death or when new business opportunities arise.

2. OBJECTIVES

- (a) To ensure the Group is prepared with a plan to support operation and service continuity when the Managing Director ("**MD**"), Executive Director, Chief Financial Officer/Senior Finance Manager, other key senior management or key business leader leave their positions for whatsoever reason(s).
- (b) To ensure a continued supply of qualified, motivated employees who are prepared for higher roles and responsibilities.
- (c) To develop career paths for employees which will facilitate the Group's ability to recruit and retain top-performing or high talent employees.
- (d) To develop reliable assessment procedures and ensure that these procedures are applied systematically across the Group.

3. ROLES AND RESPONSIBILITIES

- (a) Both the Board of Directors of the Company ("**Board**") and the MD have pivotal roles to play in succession planning within the Group.
- (b) The Board is responsible for the succession planning for the MD position. The Board shall recruit externally or internally promote a new MD when the position of MD becomes vacant, and ensure the new MD has the required skills to implement the Group's mission and vision.
- (c) The Board should have prepared themselves with an interim solution when anticipated the departure of the MD.
- (d) The MD is responsible for ensuring a succession plan is in place for other key positions in the Group with the assistance of the senior management team and implicated employees.

4. SUCCESSION PLANNING PROCESS

The primary responsibilities of the Board include planning for MD's succession and overseeing the identification and development of executive talents.

- (a) The Board, with the assistance of the Nomination Committee ("**NC**") and working with the MD and Human Resources department, oversees the development and corporate succession plans for the MD to provide for continuity in head of management team.
- (b) The Board works with the MD to plan for MD's succession. The succession plan covers identification of internal candidates, development plans for the internal candidates, and appropriate identification of external candidates.

- (c) The Board annually reviews the MD's succession plan, where appropriate and/or if required. The criteria used to assess potential candidates for MD are formulated based on, amongst others, the Company's vision and mission, goals and business strategies including strategic vision, leadership and operational execution.
- (d) The Board may review development and succession planning more frequently as it deems necessary.

5. KEY SUCCESS FACTORS

- a) The support from the Board, the MD and senior management are essential to the succession planning process. This will give all employees an understanding and emphasis on the importance of succession planning to the Company;
- b) Adequate time should be provided to the selected employees for development and mentoring; and
- c) Review and update the succession plan regularly to ensure the Company has reassessed the hiring needs and assessed the development progress of the selected candidates.

6. PERIODIC REVIEW

This policy shall be reviewed from time to time by the Board when deem necessary.

7. EFFECTIVE DATE

This Policy is effective 30 June 2023.

History:-

Document No.	Version No.	Board's Approval Date	Effective Date
FP-016	1.0	30 June 2023	30 June 2023

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