



TERMS OF REFERENCE OF THE NOMINATION COMMITTEE ("NC")

(Adopted w.e.f. 1 August 2023)

1. OBJECTIVES

The principal objective of the NC is to assist the Board of Directors ("**Board**") of Farm Price Holdings Berhad ("**Farm Price**" or the "**Company**") in their responsibilities in appointing new nominees to the Board and Board Committees and ensure that their compositions meet the needs of the Company. The NC shall also assess the performance of the Board of Directors ("**Board**"), Board Committees and the individual directors of the Company on an on-going basis.

2. COMPOSITION

- (a) The Board shall appoint the NC members from amongst themselves, comprising exclusively of Non-Executive Directors, of which a majority of whom shall be Independent Directors.
- (b) The term of office of the NC shall be for such time as determined by the Board and members of the NC may be re-nominated and appointed by the Board from time to time.
- (c) No alternate Director of the Board shall be appointed as a member of the NC.

3. CHAIRPERSON

- (a) The Chairperson of the NC shall be an Independent Director or Senior Independent Director identified by the Board from amongst the NC members and shall not be the Chairperson of the Board.
- (b) The Chairperson of the NC shall chair all NC meetings but in the absence of the Chairperson, the members of the NC can elect from amongst themselves as the Chairperson of the NC meeting.
- (c) The Chairperson of the NC shall:-
 - (i) lead the succession planning and appointment of directors, and oversee the development of a diverse pipeline for Board and management succession, including the future Chairperson, Managing Director, Executive Directors (or any other person assuming the similar roles and responsibilities); and
 - (ii) lead the annual review of Board effectiveness, ensuring that the performance of each individual director and Chairperson of the Board are independently assessed.

4. SECRETARY(IES)

The Secretary(ies) of the NC shall be the Company Secretary(ies) of the Company. The Secretary(ies) shall be responsible for drawing up the agenda and circulating it prior to each meeting and keeping the minutes of meetings of the NC.

5. MEETINGS

- (a) The NC may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairperson or any member of the NC may call for additional meetings at any time at their discretion.
- (b) Reasonable notice of the NC meeting shall be given in writing sent through the post, facsimile, electronic mail and by any means of telecommunication in permanent written form to all the NC members, except in the case of emergency, where the NC may waive such requirement.
- (c) The NC may hold a committee meeting at two (2) or more venues within or outside Malaysia using any technology that gives the NC members as a whole a reasonable opportunity to participate. Any member of the NC participates at a NC meeting by way of telephone and video conferencing or by means of other communication equipment whereby all persons participating in the meeting are able to hear each other and be heard for the entire duration of the meeting in which event such member shall be deemed to be present at the meeting. A member participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the members attending the meeting provided that at least one (1) of the NC members present at the meeting was at such place for the duration of that meeting. All information and documents must be made equally available to all participants prior to or at/during the meeting.
- (d) Other Board members, employees and/or consultants may attend the NC meeting upon invitation of the NC.
- (e) Questions arising at any meeting of the NC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairperson of the NC shall have a second or casting vote.

6. QUORUM

The quorum shall consist of at least two (2) members, who are Independent Non-Executive Directors.

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7. CIRCULAR RESOLUTION

A resolution in writing signed by a majority of the NC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the NC duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more NC members. Any such document may be accepted as sufficiently signed by a NC member if transmitted to the Company by electronic mail, telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a NC member. All such resolutions shall be described as "NC Members' Resolution in Writing" and shall be forwarded or otherwise delivered to the Company Secretary(ies) without delay and shall be recorded by the Company Secretary(ies) in the minutes book.

8. MINUTES

- (a) Minutes of each NC meeting shall be kept at the registered office and distributed to each member of the NC and also to the other members of the Board. The NC Chairperson shall report on the proceedings of each meeting to the Board.
- (b) The Minutes of the NC meeting shall be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting and if so signed, shall be conclusive evidence of the proceedings of the meeting duly held.
- (c) The NC members may inspect the minutes of the NC at the registered office or such other place as may be determined by the NC.

9. REPORTING

The Chairperson of the NC shall report to the Board on the proceedings of each meeting and on matters as it considers appropriate within its terms of reference at least once a year, but more frequently if it so wishes, either formally in writing or verbally.

The NC shall report to the Board on any specific matters referred to it by the Board.

10. AUTHORITY

The NC shall, in accordance with a procedure to be determined by the Board and at the expense of the Company, where necessary and reasonable for the performance of its duties:-

- (a) be able to use a variety of approaches, sources or independent sources to ensure that it is able to identify the most suitable candidates. This may include sourcing from a directors' registry and open advertisements or the use of independent search firms.
- (b) be able to obtain independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

- (c) be entitled to the services of the Company Secretary(ies) who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad or other regulatory requirements.

11. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the NC are as follows:-

- (a) To formulate and review the policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Company, strengthen Board leadership and oversight of sustainability issues.
- (b) To source, identify, review and recommend candidates for appointment to the Board and Board Committees, which is led by the Chairperson of the NC, taking into consideration the optimum and effective size of the Board and the candidates:-
 - character, competency, knowledge and experience;
 - professionalism;
 - integrity and credibility;
 - fit and properness;
 - time commitment, particularly his number of other directorships; and
 - in the case of the candidates for the position of Independent Non-Executive Directors, the NC would also evaluate the candidates' ability to discharge such responsibilities or functions as expected from Independent Non-Executive Directors.
- (c) To consider, in making its recommendations, candidates for directorships and, within the bounds of practicability, by any other senior executive or any Director or major shareholder and to take steps to ensure that gender, ethnicity and age group diversity are sought as part of its recruitment exercise.
- (d) To review the tenure of each Director on the Board.
- (e) To recommend the re-election of Directors who are due to retire in accordance with the Company's Constitution.
- (f) To assess the independence of Independent Directors annually.
- (g) To establish and review the performance criteria to evaluate the performance of the Board, Board Committees and each individual Director.
- (h) To recommend to the Board the nominees to fill the seats on Board Committees.
- (i) To review on an annual basis, the required mix of skills, experience, gender diversity and other qualities, including core competencies which Non-Executive and Executive Directors should have;

- (j) To assess on an annual basis, the effectiveness of the Board and the Committees of the Board as a whole and each individual Director of the Board including a review of the performance of the Board in addressing the Company's material sustainability risks and opportunities. All assessments and evaluations carried out by the NC in the discharge of all its functions would be properly documented.
- (k) To review on an annual basis, the terms of office and performance of the Audit and Risk Management Committee ("ARMC") and each of its members to determine whether the ARMC and its members have carried out their duties in accordance with the terms of reference of the ARMC.
- (l) To assist the Board in assessing and evaluating circumstances where a Director's involvement outside the Group may give rise to a potential conflict of interest with the Group's businesses, upon receiving declaration of the same from the Director and thereafter, to inform the ARMC of the same. After deliberation with the ARMC, to recommend to the Board the necessary actions to be taken in circumstances where there is a conflict of interest.
- (m) To ensure that orientation and education programmes are provided for new members of the Board.
- (n) To ensure that all Directors receive appropriate continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the marketplace, changes in new statutory and regulatory requirements and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.
- (o) To formulate and review the nomination, selection and succession policies and plans for members of the Board, Board Committees and senior management of the Company.
- (p) To act in line with the directions of the Board.
- (q) To consider and examine such other matters as the NC considers appropriate.
- (r) To consider any other relevant matters as delegated by the Board.

12. REVIEW

This Terms of Reference shall be assessed, reviewed and updated where necessary. All amendments to the Terms of Reference, as recommended by the NC, must be approved by the Board.

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