

1. Introduction

This policy is intended to address Kawan Food Berhad (“KFB” or “the Company”).

Succession planning is a process designed to ensure that the Company identifies and develops a talent pool of employees through mentoring, training and job rotation to replace key business leaders within the Company as those key business leaders leave their positions.

2. Objectives

- 2.1. To ensure the Company is prepared with a plan to support operation and service continuity when the Managing Director (“MD”) and senior management or key business leader leave their positions;
- 2.2. To prepare a pool of suitably qualified and motivated employees for higher roles and responsibilities;
- 2.3. To develop career paths for employees which will facilitate the Company’s ability to recruit and retain top-performing or high talent employees;
- 2.4. To deliver a message to the Company’s employees that they are valuable; and
- 2.5. To develop reliable assessment procedures and ensure that these procedures are applied systematically across the Company.

3. Roles and Responsibilities

- 3.1. Both the Board and the MD have pivotal roles to play in succession planning;
- 3.2. The Board is responsible for succession planning for the MD position. The Board should hire or internally promote a new MD, when the existing MD leaves, and ensure the new MD has the required skills to implement the Company’s mission and vision;
- 3.3. The Board should be prepared with an interim solution when the MD leaves; and
- 3.4. The MD is responsible for ensuring a succession plan is in place for other key positions in the Company with the assistance from the senior management team and implicated employees.

4. Development and Succession Planning Process

A primary responsibility of the Board is planning for the MD succession and overseeing the identification and development of executive talent.

- 4.1. The Board, with the assistance of the Nomination Committee and working with the MD and Human Resource department, oversees executive officer development and corporate succession plans for the MD and other executive officers to provide for continuity in Senior Management.
- 4.2. The Board works with the MD to plan for a successor who will be able to fill in the MD's position. The succession plan covers identification of internal candidates and the development plans for the identified internal candidates.
- 4.3. Should there be no suitable internal candidates, the Board, with the assistance of the Nomination Committee, will identify suitable external candidates who will be able to fill in the MD's position.
- 4.4. The Board reviews the MD succession plan as and when necessary. The criteria used to assess potential MD candidates are formulated based on the Company's business strategies, and include strategic vision, leadership, and operational execution.
- 4.5. The Board maintains an emergency succession contingency plan should an unforeseen event such as death or disability occurs that prevents the MD from continuing to serve. The plan identifies individuals who would act as an Interim MD. The contingency plan is reviewed by the Board and revised as appropriate as and when necessary.
- 4.6. The Board may review development and succession planning more frequently as it deems necessary.

5. Periodic Review

- 5.1 This policy shall be reviewed regularly by the Nomination Committee Members.
- 5.2 The MD shall review the succession planning for key management from time to time.