

FIRST CAPITAL SECURITIES CORPORATION LIMITED (“THE COMPANY”)

HUMAN RESOURCES (HR) POLICIES AND PROCEDURES

- - Human Resources (HR) policies and procedures, are documented to address issues such as:
 - i) Attracting and retaining key skilled staff;
 - ii) Succession planning;
 - iii) Career development plan;
 - iv) Training plan to equip new employees with relevant skills and to update skills of existing employees; training could be delivered in-house or through external institutions;
- - The Company shall have qualified HR and administration staff with a sound knowledge of HR.
- - The Company for attracting and retaining key skilled staff. Incentives such as stock options, performance bonuses and competitive salaries shall be considered.
- - The Company shall have detailed well documented policies and procedures.
- - The HR plan shall aim to identify and build a second line for key positions.
- - The Company shall have a training plan for employees to update their existing skills and equip them with new skills. The training plan shall identify both in-house and external institutions training requirements.
- - The Company shall ideally have a dedicated knowledge management function within the organization to disseminate knowledge on new products, markets and developments.
- This function shall maintain links to important information sources relevant for the industry.
- - The Company shall ensure that adequate internal controls are in place to prevent fraudulent behavior.
- - The Company shall establish clear control mechanisms and transparency rules to ensure compliance with duties of loyalty and fulfillment of fiduciary responsibilities.
- - The Company shall monitor employees for their own businesses to avoid a conflict of interest.

- - The Company shall clearly and fully disclose any potential conflicts of interests, if they cannot be avoided.

SUCCESSION PLANNING POLICY

Introduction

Succession planning recognizes that some jobs are the life blood of the organization and too critical to be left vacant or filled by any but the best qualified persons. Effectively done, succession planning is critical to mission success and creates an effective process for recognizing, developing, and retaining top leadership talent.

Objective

The objective of this SOP is to provide an outline for identifying and developing internal people and recruiting external talent with the potential to fill key business leadership positions in the Company.

Scope

This SOP broadly outlines critical elements of succession planning.

Frequency of Review

All exceptions are to be approved by the CEO, Group director finance and group HR head

Standard Operating Procedures

Policy and Procedures

- The Company's succession planning shall be part of the strategic plan, outlining where the Company wants to be in future and the human capital required to achieve its objectives. Success planning shall be aimed towards the Company's performance management by hiring and retaining capable employees who are a good fit for the Company's vision, mission, values, goals and objectives.
- For successful succession planning, up-to-date HR policies shall be in place to ensure fair and equitable treatment of the employees. HR policies shall be supplemented by well-defined job descriptions. Having well-defined job descriptions will enable the Company to identify the expertise needed to achieve the strategic plan. Moreover, it will enable the Company to identify whether a specific job role has been created to complement the strategic plan or created due to recurring workplace crises i.e. increasing amount of work not getting done.
- Based on the job descriptions, key performance indicators (KPIs) shall be established to enable the Company to measure employees' performance and focus employees' attention on the tasks and processes critical to the successful execution of the strategic plan.

- With job descriptions and KPIs in place, the Company will be able to execute first level of succession planning which includes identification of:

- 1) Key positions critical for business continuity and stability; and

- 2) High potential individuals with leadership qualities and sound business acumen.

- It shall be the senior management's responsibility to execute first phase of succession planning. While evaluating key positions critical for business continuity and stability, the following shall be considered:

- 1) Which positions, if left vacant, will cause major difficulties in achieving current and future business goals?

- 2) Which positions will be difficult to fill because the positions require specialized expertise; and

- 3) In the past, which positions have been traditionally difficult to fill?

As a result, key leadership competencies profile shall be established and individuals identified who are a good match for the profile. These individuals shall be interviewed in terms of their career goals, objectives and future plans. Individuals who exhibit passion and interest to contribute towards the Company's goals in the long run shall be selected for succession planning. Career growth plan for each individual shall be devised. The individual shall be accordingly given formal trainings and various opportunities to nurture his/her potential to the maximum and ultimately contribute towards the Company's success.

- Second phase of succession planning shall be done at the departmental level by the concerned head of departments.

- Each HOD will be responsible for his/her department's succession planning with an aim to contribute towards the Company's overall strategy and objectives, and to improve the Company's performance management.

- Every department shall develop its organogram, through which the department's HR requirements be identified.

- Through HR requirements, key responsibilities for smooth running of the department will be identified. For each key responsibility identified, potential individuals who can act as backup be trained.

- Annual leaves of the employees shall be pre-planned by the HOD to ensure that others have an opportunity to effectively replace the employee for that temporary period of time.

- The HOD shall ensure that suitable replacements are in place for the expected leavers of the Company.

DELEGATION OF AUTHORITIES

The management of The Company and its Board of Directors shall be responsible for the effective management of any risks arising from delegation of functions and shall to the minimum ensure the following:

- a. Comprehensive due diligence of the nature, scope and complexity of the delegation of functions to identify key risks along with risk mitigation strategies;
- b. Delegation is consistent with the overall business strategy and objectives of The Company;
- c. Periodic reviews of delegation arrangements and identification of new material outsourcing risks which arise or may arise;
- d. Analysis of the impact of the arrangement on the overall risk profile of The Company, and whether adequate internal expertise and resources are available to mitigate the risks identified; and
- e. Analysis of the potential benefits of delegation against the weaknesses that may arise, including the impact of disruption or unexpected termination of the delegated services.

The Company shall put in place adequate procedures to monitor and maintain overall control of the delegation arrangement in accordance with its Board's approved policy and ensure performance of The Company's primary obligation for the functions that are delegated.