



NI HSIN

NI HSIN RESOURCES BERHAD
(Company No. 653353-W)
(Incorporated in Malaysia)

DIRECTORS AND SENIOR MANAGEMENT'S REMUNERATION POLICY

Revision No.	New/Amendment Date	Revision records
001	Mar 2018	Original
002	Mar 2019	Annual review

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Directors and Senior Management's Remuneration Policy

1. Introduction

This policy sets out the criteria to be used in recommending the remuneration package of Directors and/or Senior Management of Ni Hsin Resources Berhad and its subsidiaries and is in line with the best practice provisions of the Malaysian Code on Corporate Governance.

2. Objectives

2.1. This policy is designed to:

- 2.1.1. Determine the level of remuneration package of the Executive Directors and/or Senior Management whereas, the remuneration of Non-Executive Directors also operate as the same basis, except for Directors' fees and benefits payable which requires shareholders' approval. The Senior Management are employees of the Company which comprises of Executive Directors;
- 2.1.2. Attract, develop and retain high performing and motivated Executive Directors and/or Senior Management with a competitive remuneration package;
- 2.1.3. Provide a remuneration such that the Executive Directors and/or Senior Management are paid remuneration which commensurate with the responsibilities of their positions, reflecting their contributions for the year and which are competitive and consistent with its culture and strategy;
- 2.1.4. To ensure the level of remuneration of Non-Executive Directors are linked to their level of responsibilities undertaken and contributions to the Board.
- 2.1.5. The Remuneration Committee ("RC") is empowered to make qualitative and quantitative assessment of performance in reaching its recommendations. The RC is also empowered to provide appropriate disclosure of their assessment, if required, so that shareholders can understand the basis of its recommendation.

3. Remuneration Components

3.1. Fixed Remuneration for Executive Directors and/or Senior Management

3.1.1. The fixed salary is determined according to:

- The scope of the duty and responsibilities;
- The conditions and experiences required;
- The ethical values, internal balances and strategic targets of the Company;
- The corporate and individual performance;
- Current market rate within the industry and in comparable companies; and
- The scale and complexity of both the business and the role.

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3.2. Executive Directors are entitled to receive those benefits available to the Company. The said benefits include group insurance coverage, medical benefits, motor vehicle related benefits and annual leave. Executive Directors may receive other benefits that are considered to be appropriate in terms of the individual's role

3.3. Bonus

The bonus in the case of Executives Directors and/or Senior Management is designed to reward performance. The bonus is granted to the Executive Directors' and/or Senior Management's performance against annual measures and targets set at the start of the year as well as Group's results. A discretionary assessment is made to ensure that all factors which include measurable and qualitative criteria are considered.

3.4. Fixed Fee for Non-Executive Directors

3.4.1. The fixed fee is determined according to:

- On par with the rest of the market;
- Reflect the qualifications and contribution required in view of the Group's complexity;
- The extent of the duty and responsibilities
- The number of Board meetings; and
- The corporate and individual performance.

3.5. Other Benefits and Allowances for Directors

The benefits and allowances which should be recommended by the Board as a whole includes the following and subject to shareholders' approval, where necessary:

3.5.1. Directors' allowance;

3.5.2. Meeting allowance; and

3.5.3. Expenses incurred in the course of their duties as Directors; and

3.5.4. Benefit in kind such as motor vehicle, petrol, driver, medical benefits, use of mobile phone and accommodation.

4. Remuneration Procedures

4.1 The annual salaries, incentive arrangements, service arrangements and other employment conditions for the Executive Directors and/or Senior Management are reviewed by the RC and approved by the Boards, subject to shareholders' approval, where necessary.

4.2 Senior Management who reports directly to the Executive Directors are evaluated annually premised on annual measurements and targets set.

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Thereafter, the Executive Directors approve the remuneration of Senior Management based on their performance.

- 4.3 The determination of the remuneration for Non-Executive Directors is a matter for the Board as a whole. The Executive Directors are not present when matters affecting their own remuneration arrangements are considered.
- 4.4 The policy of the RC is in line with the Group's overall practice on compensation and benefits, which is to reward employees competitively, taking into account performance, market comparisons and competitive pressures in the industry. Whilst not seeking to maintain a strict market position, it takes into account comparable roles in similar organisations.

5. Periodic Review and Disclosure

- 5.1. The Remuneration Committee should conduct a review on an annual basis of the criteria to be used in the recommending the remuneration packages of the Directors and/or Senior Management. The Remuneration Committee should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.
- 5.2. The Board should disclose this policy in the Company's website.

Dated: 26 March 2019