



Reg. No.: 199801011581 (467709-M)

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## **DIRECTORS REMUNERATION POLICY**

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(as at 22 February 2023)

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# PHARMANIAGA BERHAD DIRECTORS REMUNERATION POLICY

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## 1 Introduction

- 1.1 The Directors Remuneration Policy (“the Policy”) sets out the criteria to be used in recommending the remuneration package of Directors of Pharmaniaga Berhad (“the Company”) and is in line with the best practice provisions of the Malaysian Code on Corporate Governance.
- 1.2 The purpose of the Policy is to:
- i) Attract, develop, retain and reward high performing and motivated Directors with a competitive remuneration package;
  - ii) Provide a remuneration package to the Directors and ensure that they are paid a remuneration commensurate with the responsibilities of their positions, reflecting their contributions and achievement;
  - iii) Ensure that performance measures and targets are aligned with the Company’s strategy and shareholders interest; and
  - iv) Ensure that the remuneration packages remain competitive with the relevant industry and market via benchmarking and periodical review/assessment.
- 1.3 The Policy shall be read together with the relevant legislations:
- i) Companies Act 2016;
  - ii) Capital Markets and Services Act 2007 (Amendment 2012);
  - iii) Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and
  - iv) Any other applicable regulations.

## 2 Remuneration Policy and Procedures

### 2.1 Non-Executive Directors

- i) The remuneration components for Non-Executive Directors shall consist of Directors’ fees, benefits-in-kind and other benefits including meeting allowances. As for meeting allowance, no distinction shall be made between participation in person and virtual participation by video, teleconference or other electronic mode that permits Non-Executive Directors to participate. Virtual participation during meetings will constitute attendance and meeting allowance will be accorded accordingly.
- ii) Non-Executive Directors’ remuneration packages shall be determined on the basis of their qualification, experience and competence, having regard to their responsibilities, time commitment and annual evaluation as undertaken by the Nomination and Remuneration Committee.

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- iii) Fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover.
- iv) The fees of the Directors, and any benefits payable to the Directors including any compensation for loss of employment of a Director or former Director of the Company and its subsidiaries shall be approved at the Annual General Meeting.

### **3 Approval of Directors fees and benefits payable**

- 3.1 The fees of the Directors, and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at the Company's General Meeting.

### **4 Periodic Review and Disclosure**

- 4.1 This Policy has been endorsed by the Board, upon recommendation by the Nominating and Remuneration Committee.
- 4.2 The Nominating and Remuneration Committee shall conduct a periodic review of this policy as appropriate to align with the current market practices and requirements of the regulators. If necessary, the Nominating and Remuneration Committee shall suggest amendments to this policy for consideration by the Board.
- 4.3 The Board shall disclose this policy on the Company's website.