



REMUNERATION POLICY



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1. PURPOSE

To provide clear and guiding principles for determining the remuneration of the Board and Key Senior Management and to align their interests with the interest of shareholders and with the business strategies of the Company and its subsidiaries in line with the recommendation of the Malaysian Code on Corporate Governance.


2. KEY PRINCIPLES

The Policy is designed with the aim to support the Company's key strategies and create a strong performance-oriented environment, and be able to attract and motivate and retain talent. The Policy and Procedures are structured based on the following key principles:

- i. Remuneration shall be set at levels that are competitive with the relevant market and industry with the aim of attracting and retaining talents as part of the Group's succession plan;
- ii. Performance measures and targets shall be aligned with shareholders' interest in mind;
- iii. Provide an appropriate level of transparency to ensure the policy for the remuneration of Directors and Key Senior Management is understood by investors; and
- iv. Ensure a level of fairness and consistency in remuneration, reflect the relevant duties and responsibilities.

3. REMUNERATION STRUCTURE FOR EXECUTIVE DIRECTORS AND KEY SENIOR MANAGEMENT

- 3.1. The remuneration package is reflective of the individual Executive Director's and Key Senior Management's skills and experience and level of responsibilities and it is structured to link to individual performance and the overall performance of the Group.
- 3.2. The Executive Directors' and Key Senior Management's remuneration package comprise a fixed components which include the following:
 - Basic Salary;
 - Monetary incentives such as bonus or incentive payments to reward individuals for outstanding business contributions, and in meeting with established key performance indicators ("KPIs") and/or set at a level sufficient to provide the Executive Directors and Key Senior Management with the motivation to achieve operational targets;
 - Statutory Employer's Contribution to provident funds;
 - Allowances relating to business expenses (i.e. entertainment and travel) incurred.
 - Benefit-in-kind including but not limited the provision of fully expensed car or cash alternative in lieu of car, company driver, fuel expenses, private medical insurance and life insurance (if any), general benefits and rewards.

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- 3.3. The Executive Directors are not entitled to the Director's fees nor are they entitled to receive any meeting allowance for Board or Board Committee or general meetings.
- 3.4. Remuneration of the Executive Directors and Key Senior Management shall be structured to link rewards to corporate and individual performance and shall take into consideration remuneration paid to directors of other similar companies, whether in size and/or industry, the individual's performance and responsibility, market competitiveness as well as the Group's overall performance.

4. REMUNERATION STRUCTURE FOR NON-EXECUTIVE DIRECTORS

- 4.1. The Non-Executive Director receive remuneration in the form of the following (collectively, known as emoluments) as compensation for their services plus the reimbursement undertaken by the Non-Executive Director concerned:-
- Directors' Fees – Remuneration is in the form of fees, payable monthly or annually. The level of remuneration of Non-Executive Directors shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. The said remuneration shall not be based on commission, the percentage of profits, or turnover.
 - Allowance – Non-Executive Directors receive an allowance, which is paid in cash for the purpose of attending Board or Committee meetings.
- 4.2. Non-Executive Directors are not entitled to receive performance-based bonuses nor participate in short-term and/or long-term incentive plans.

5. REMUNERATION APPROVAL PROCESS

- 5.1. Executive Directors and Key Senior Management or senior management who report to the Group Chief Executive Officer are evaluated annually by the Group Chief Executive Officer premised on annual measurements and targets set. Thereafter, the Group Chief Executive Officer recommends the remuneration levels for the Executive Directors and Key Senior Management to the Remuneration Committee for approval.
- 5.2. The emoluments of Non-Executive Directors are reviewed by the Remuneration Committee and Board annually. Fees payable to Non-Executive Directors shall not be increased except in pursuant to a resolution passed at a General meeting, where notice of the proposed increase has been given in the notice of convening the meeting. Based on the recommendation from the Remuneration Committee, the Board shall submit any adjustment in Director's fees to the General Meeting for approval by shareholders.

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5.3. The Remuneration Committee operates under the delegation of the Board to provide an oversight of the Group's remuneration and compensation plans on behalf of the Board. Hence, the Board together with the Remuneration Committee shall:

- (a) take into consideration factors such as qualifications, skills, competency and experience of the directors and senior management, the demands and complexities of the Company's businesses, Company's operating results, responsibilities undertaken during the period under review, market competitiveness and market benchmark in deciding the remuneration of directors and senior management so that the remuneration is commensurate with individual performance and contribution.
- (b) take into account factors such as the Directors' contributions, effort and time spent, attendance at meetings and the frequency of meetings, the respective responsibilities of the directors including the board committees on which they serve and market practices in determining the remuneration of nonexecutive directors.
- (c) review the remuneration levels for Directors and key senior management annually.
- (d) consider specific adjustments and/or reward payment, if any, reflecting individual contributions and performance for the year and which are competitive and consistent with the Company's culture and strategic objectives.

5.4. The Remuneration Committee reviews the remuneration strategy and plans of the Group, compares the strategy and plans with community and industry standards and, where possible verifies the appropriateness of the strategy and plans by the reference to external information and advice.

6. REVIEW OF THE POLICY

The Remuneration Committee will review and assess the effectiveness and continued relevance of this Policy as and when required. Any revisions to the Policy as recommended by the Remuneration Committee will be submitted to the Board for consideration and approval.