



# **PRESS METAL ALUMINIUM HOLDINGS BERHAD**

Registration No. 201601027232 (1198171-H)

## **DIRECTORS & KEY SENIOR MANAGEMENT REMUNERATION POLICY**

<b>Abbreviation</b>	<b>Meaning</b>
Board	: The Board of Directors of the Company
Director	: Includes all independent and non-independent directors, executive and non-executive directors of the Group and shall also include alternate or substitute directors
Group	: The Company and its subsidiaries, collectively
Group CEO	: Group Chief Executive Officer of the Group
MCCG	: The Malaysian Code on Corporate Governance
PMAH or the Company	: Press Metal Aluminium Holdings Berhad (Registration No. 201601027232 (1198171-H))
RC	: Remuneration Committee of PMAH
Key Senior Management	Key Senior Management are Executive Vice Chairman, Group Chief Executive Officer and Executive Directors
Subsidiary	: A corporation in which the Company controls the composition of the board of directors, controls more than half of the voting power or holds more than half of the issued share capital excluding preference shares

## **1. Introduction**

This policy sets out the criteria to be used in recommending the remuneration package of Directors and Key Senior Management of PMAH and is in line with the best practice provisions of the MCCG.

## **2. Objectives**

The policy is designed to:

- (a) Determine the level of remuneration package of the Executive Directors and Key Senior Management whereas, the remuneration of Non-Executive Directors also operate as the same basis, except it requires shareholders' approval;
- (b) Attract, develop and retain high performing and motivated Executive Directors and Key Senior Management with a competitive remuneration package;
- (c) Provide a remuneration such that the Executive Directors and Key Senior Management are paid a remuneration commensurate with the responsibilities of their positions, reflecting their contributions for the year and which are competitive and consistent with its culture and strategy;
- (d) To ensure the level of remuneration of Non-Executive Directors are linked to their level of responsibilities undertaken and contributions to the Board;
- (e) The 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 Key Senior Management**

- (a) The fixed salary is determined according to;
  - (i) The scope of the duty and responsibilities;
  - (ii) The condition and experiences required;
  - (iii) The ethical values, internal balances and strategic targets of the Company;
  - (iv) The corporate and individual performance;
  - (v) Current market rate within the industry and in comparable companies;
  - (vi) The scale and complexity of both the business and the role; and
  - (vii) The prevailing financial position of the Company.

(b) Other Benefits and Allowances

Executive Directors and/ Key Senior Management 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 appropriate in terms of the individual's role, for example annual leave passage and security services.

(c) Bonus

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

(d) Clawback

Based on risk management issues, financial misstatement, fraud and gross negligence or wilful misconduct, the Board has the discretion to make potential adjustment or clawback on variable bonus award in accordance with Environment Social Governance Linked Incentive Remuneration Framework.

3.2. Fixed Fee for Non-Executive Directors

(a) The fixed fee is determined according to :

- (i) current market rate in similar industries;
- (ii) Reflect the qualifications and contribution required in view of the Group's complexity;
- (iii) The extent of the duty and responsibilities;
- (iv) The number of Board meetings attended by Directors during the financial year; and
- (v) The corporate and individual performance.

(b) Other Benefits and Allowances

The benefits and allowances which should be decided by the Board as a whole include :

- (i) Chairman's allowance;
- (ii) Meeting allowance;

- (iii) Expenses incurred in the course of their duties as Directors;
- (iv) Benefit in kind such as motor vehicle, petrol, driver, medical benefits, use of mobile phone and accommodation; and
- (v) Any other expenses as proposed to and approved by the Board.

#### **4. Remuneration Policy and Procedures**

- (a) The annual salaries, incentive arrangements, service arrangements and other employment conditions for the Executive Directors and/or Key Senior Management are to be reviewed by the RC and recommend to the Board for approval.
- (b) Group CEO reports to the Executive Vice Chairman is evaluated annually by the Executive Vice Chairman premised on annual measurement and targets set. Key Senior Management who report to the Group CEO are evaluated annually by the Group CEO premised on annual measurements and targets set. Thereafter, the Executive Vice Chairman/ Group CEO recommends the remuneration of the Group CEO/ Key Senior Management to the RC for consideration and subsequent recommendation to the Board for approval.
- (c) The Directors and Key Senior Management's Remuneration Policy is in line with the Group's business strategy and long-term objective and 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 role in similar organisations.
- (d) The Company's Remuneration Policy for Non-Executive Directors is to develop a remuneration structure that is commensurate with the Non-Executive Directors' responsibilities at both the Board and Board Committee level.
- (e) Fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. For meeting allowance, no distinction shall be made between participation in person and virtual participation by 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.
- (f) The RC shall, when necessary, engage with any independent agency to perform market survey, analysis and comparison on the competency of remuneration packages periodically and recommend to the Board on any adjustment for the Directors and Key Senior Management to support the objectives of this policy.

## **5. Periodic Review and Disclosure**

The RC should review periodically the criteria to be used in recommending the remuneration packages of the Directors and Key Senior Management. The RC should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.

The Board should disclose this policy in the Company's website.

*Adopted by Board: 26 February 2019*

*Reviewed and Adopted by Board on: 26 November 2020*

*2<sup>nd</sup> Review and Adopted by Board on: 29 November 2022*