

## **Remuneration Policy and Procedures**

### **1. Objective**

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, motivate and retain talent. The Remuneration Policy shall adhere to the following key principles: -

- a) Total remuneration shall be set at levels that are competitive with the relevant market and industry.
- b) Executive Directors' remuneration shall be performance-based.
- c) Incentive plans, performance measures and targets shall be aligned with shareholders' interest in mind.
- d) Provide an appropriate level of transparency to ensure the policy underlying Executive Directors' and Non-Executive Director's remuneration is understood by investors.
- e) Ensure a level of equity and consistency
- f) To align the interest of the Directors with the long-term interest of the shareholders.

### **2. Policy on Executive Directors (EDs) Salaries**

Salaries for EDs consist of both fixed (i.e. base salary) and variable (performance-based incentive) remuneration components. The remuneration levels of EDs are structured to enable the Company to attract and retain the most qualified Executive Board members. Variable (performance-based incentive) remuneration is not guaranteed and dependent on the performance of the ED towards the overall performance of the Company and the financial position of the Company.

The Company may provide competitive benefits to EDs, such as a fully expensed car or cash alternative in lieu of car, company driver, fuel expenses, private medical insurance and life insurance. Allowances relating to business expenses (i.e. entertainment and travel) incurred are reimbursed such that no additional compensation is given to the EDs.

The EDs concerned, play no part in the decision of their own remuneration but may attend the Committee meetings at the invitation of the Chairman of the Remuneration Committee if their presence is required. The determination of Non-Executive Director's remuneration is decided by the Board, as a whole and subject to shareholders' approval, with individual Directors abstaining from discussion of his or her own remuneration.

### **3. Policy on Non-Executive Directors ( NEDs) Salaries**

The remuneration of NEDs is made up of Directors' fees and meeting allowances. The level of remuneration for NEDs shall reflect the experience and level of responsibilities undertaken by the NED concerned. The remuneration of an NED shall not be based on commission, the percentage of profits, or turnover.

NEDs receive remuneration in the form of Directors' fees and meeting allowances (collectively, known as emoluments) as compensation for their services plus the reimbursement of expenses incurred, if any, in the course of performing their services.

The emoluments of NEDs are reviewed by the Remuneration Committee and Board annually. Fees payable to NED 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 convening the meeting. Based on recommendations from the Remuneration Committee, the Board shall submit any adjustments in Directors' fees to the General Meeting for approval by shareholders.

#### **4. Measurable Objective**

On an annual basis, the Remuneration Committee shall discuss and agree on all measurable objectives for offering fair remuneration packages for EDs and NEDs and recommend them to the Board for adoption.

The Board is free to seek to improve one or more aspects of the remuneration packages and measure progress accordingly. On this, the Board may seek professional advice from outside sources to assist the Board in formulating an attractive compensation and benefits package that aims to attract, retain and motivate talents.

#### **5. Monitoring and Reporting**

Disclosure of Directors' remuneration shall be made in the corporate governance statement of the Company's Annual Report. Such report shall include details of the Directors' remuneration in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code of Corporate Governance 2017.

#### **6. Review of the Policy**

This policy is subject to regular review by the Board and will be amended as appropriate to reflect the current best practices.

#### **7. Disclosure**

The Board will make appropriate disclosure to shareholders in its annual report of the key aspects of this Policy, including explaining any departure from the best practices and recommendations as set out by the Malaysian Code on Corporate Governance 2017 (if any).