



## BOARD REMUNERATION POLICY (*Principle 2.3*)

### 1. INTRODUCTION

The objective of the Board remuneration policy is to support business strategy which is more long term and strategic in nature. It is aimed at motivating the non-executive directors to achieve the Group's business objective.

### 2. DETERMINATION OF NON-EXECUTIVE DIRECTORS' REMUNERATION

- 2.1 Remuneration of non-executive directors is determined with regards to the Company's needs to maintain appropriately experienced and qualified Board members in accordance with competitive pressures of the marketplace.
- 2.2 The remuneration policy is designed based on the following principles:
- (a) to attract and retain directors.
  - (b) to motivate directors to achieve Company's business objective.
  - (c) to align the interests of the Directors with the long term interest of the shareholders.
- 2.3 In determining the remuneration of non-executive directors, the Nomination and Remuneration Committee (NRC) is guided by the provisions of the Company's Articles of Association which provides the following (in respect of non-executive directors):

*Article 86:*

*"Remuneration of Directors shall from time to time be determined by the Company in general meeting, and such remuneration shall be divided among the Directors in such proportions and manner as Directors may determined. Provided always that:-*

- (a) Fees payable to Directors who hold on executive in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;*
- (b) Salaries payable to Directors who do hold an executive office in the Company may not include a commission on or percentage of turnover;*
- (c) Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting;*

*(d) Any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter."*

**Article 87:**

*(1) The Director shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company.*

*(2) If any Director whether he holds an executive or non-executive position in the Company, being willing shall be called upon to perform extra services or to make any special arrangements in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing if he holds an executive position in the Company, either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) and if he holds a non-executive position in the Company, either by a fixed a fixed sum or otherwise (other than by a sum to include a commission on or percentage of profits or turnover) and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors.*

2.4 In addition to the above, references will also be made to the Green Book on Enhancing Board Effectiveness and other relevant guidelines in determining the remuneration of the non-executive directors.

2.5 The Directors fees and associated costs must not place an inappropriate burden on the Company's finances.

### **3. REVIEW OF NON-EXECUTIVE DIRECTORS' REMUNERATION**

3.1 The NRC may from time to time seek independent advice on remuneration of non-executive Directors and make recommendations to members in relation to any increase in total fees.

3.2 The remuneration of the non-executive directors shall be reviewed every three (3) years by the NRC. In conducting the review, the assistance of an independent professional advice can be sought to provide the NRC with the latest development and up to date information in respect of the remuneration of non-executive directors.

3.3 Any review shall be tabled to the shareholders at general meetings for approval.

#### **4. REVIEW OF POLICY**

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

4.2 The policy may be amended by resolution of the Board.

#### **5. DISCLOSURE**

5.1 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 2012 (if any).