



PIMPINAN EHSAN BERHAD
(201601021838) (1192777-W)
(Incorporated in Malaysia)

REMUNERATION POLICY

This policy aims to observe the Malaysian Code of Corporate Governance (MCCG) for performance to be measured based on given targets as to ensure a level of equity and consistency in terms of remuneration where the Board shall ensure that:

1. Remuneration decisions are made through a transparent and independent process by the Nomination and Remuneration Committees of the Board which shall take into account the demands, complexities and performance of the Company, as well as skills and experience required;
2. To comply to the Intended Outcome of Practice 6.0, the level and remuneration composition of Directors and senior management, shall take consideration the Company's desire to attract and retain the right talent in the Board and in the senior management level so as to drive the Company's long-term objectives;
3. As required in Paragraph 7.23 of Bursa Securities Listing Requirements, Directors' Fees payable to Non-Executive Directors shall be on a fixed sum and no commission or percentage on profits or turnover to be considered;
4. As required under Section 230(1) of the Companies Act 2016 and Paragraph 7.24 of Bursa Securities Listing Requirements, the fees of Directors, benefits payable to Directors, including any compensation for loss of employment of a Director or former director shall require approval from shareholders in a general meeting prior to any payment being made; and

5. Section 340(1)(c) of the Companies Act 2016 is complied with by obtaining shareholders' approval in the Company's Annual General Meeting on fixing of Directors' fee, allowance and benefits for the year.

REMUNERATION STRUCTURE

The Directors' Remuneration Policy is reviewed annually by the Board through the Remuneration Committee where it considers various factors including the Directors' fiduciary duties, risks, time commitment and statutory duties, as well as relevant benchmark studies.

Remuneration Committee in determining the compensation packages, give consideration to the performance of the Company in terms of earnings per share, total shareholder return, share price growth.

The Company adopts an annual increment and bonus reward structure based on the financial performance of the Company and this has been designed to recognize the contributions by departmental and individuals.

For Executive Directors/Senior Management

It shall be comparable with the relevant industry and factors to be considered for salary range shall be the:

- a) Experience in the same field;
- b) Education level;
- c) Special skill sets; and
- d) Years of experience.

Salary scheme shall be made out of fixed pay, relevant allowance and incentives that forms our salary structure which allow sufficient pay progression to attract high caliber employees and retention of key talents.

Recruitment shall be on a fixed term employment contract and remuneration shall be based on their roles and responsibilities of their positions.

For Non-Executive Directors (“NED”)

The fees and allowance for NED are based on the following structure which shall be approved by the Board on every change;

COMPANY	BOARD FEE (RM)	AUDIT & RISK MANAGEMENT COMMITTEE FEE (RM)	REMUNERATION COMMITTEE FEE (RM)	NOMINATION COMMITTEE FEE (RM)	SUSTAINABILITY COMMITTEE FEE (RM)
Chairman	5,000	500	500	500	500
Director	4,000	300	300	300	300

THE REMUNERATION COMPONENT

The Nomination and Remuneration Committees review and approves the remuneration packages for Directors and Senior Management including the fees for the Company Secretary.

Details on the remuneration components for Directors and Senior Management are as follows: -

a) Salaries

Senior Management’s remuneration package shall be structured based on a compensation of fixed components which includes a monthly basic salary, allowances and benefits-in-kind/emoluments as approved by the Board.

b) Incentives

Incentive are rewarded to Senior Management for achievement on goals / targets set that includes business contributions. These variable components,

which are determined based on the person's performance which is aligned to the Company's target performance.

c) Other Benefits (Non-Cash Benefits or Benefits-In-Kind)

Benefits-in-kind consist of allowances, gratuity, leave passage, medical insurance, and term life insurance as approved by the Board.

d) Performance Bonus

Performance bonus is based on the Company's financial performance and the individual's performance depending on the level or grade of the individual as to encourage high performance results, as well as to attract and retain key talents.

REMUNERATION PROCEDURE

1. Upon first salary package being awarded, yearly revision / increment will be practice based on the evaluation carried out and the financial performance of the Company.
2. Reward system in the form of performance bonus is linked to the individual and the Company's performance with emphasis on high performance at the end of each financial year;
3. Salary scales shall be reviewed annually, and changes, if any, will take effect at the beginning of each financial year. When determining & reviewing the base salary, consideration shall be given to comparable responsibility, years of experience and skills in similar industry.
4. Assessment of individual performance shall be based upon predetermined criteria set to provide monetary & non-monetary benefits in order to attract and retain key talents;
5. There shall be no maximum or ceiling rate for base salary. Any annual increase shall be consistent to the range awarded across the Company. Additional increase shall be justified with significant increase in responsibility.
6. Director's fee including any benefits payable shall be subjected to annual shareholder approval at the general meeting;

7. Disclosure on named basis for individual Directors on the component of remuneration that include fees, salary, bonus, benefits-in-kind and other emoluments shall be made in the Company's Annual Report.
8. Disclosure on named basis for top five senior management's remuneration component including salary, bonus, benefits-in-kind and other emoluments in the bands of RM50,000 shall be made in the Company's Annual Report.
9. Payments for Loss of Office may be considered in the event of early termination of Directors and Senior Management as severance pay but no such payment will be made for rotation and retiring Directors, and retiring Senior Management

This policy has been approved and adopted by the Board of Directors on 21 May 2021.