

# Directors' Remuneration Policy

## Introduction

This policy sets out the criteria to be used in recommending the remuneration package of Directors and senior management of Encorp Berhad ("Encorp" or the "Company").

## Principles

This policy is designed to support the Company's key strategies and create a strong performance-orientated environment to attract, motivate and retain talent, based on the following key principles:-

- Total remuneration should be set at levels that are competitive with relevant market and industry;
- Executive Directors and senior management's total reward should be performance-based; and
- Incentive plans, performance measures and targets should align to shareholders' interests.

## Remuneration Components

### 1. Salary for Executive Directors and senior management

Salary for Executive Directors and senior management shall be set at a level aimed to attract and retain Executive Directors and senior management.

The fixed salary is determined according to the scope of the duties and responsibilities, the experiences, the corporate and individual performance and the current market rate within the industry and in comparable companies.

### 2. Bonus

The bonus of Executives Directors and senior management is designed to reward outstanding performance. The bonus is granted to reflect the Executive Directors and senior management's performance as well as Group results. A discretionary assessment is made to ensure that all factors which include measurable and not directly measurable are considered. Non-Executive Directors should not receive performance-based bonus.

### **3. Fixed Fee for Members of Board of Directors**

The Directors shall be entitled to a fixed fee as Board members and committee members. The fixed fee is determined according to:

- Current market trend according to industry;
- Reflect the qualifications and contribution required in view of the Group's complexity;
- The extent of the duty and responsibilities; and
- The number of Board meetings

Fees payable to Directors should not be increased except in pursuance to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting. The maximum fixed fees paid to the Directors shall not exceed the amount approved by the shareholders.

### **4. Other Benefits and Allowances**

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

- Chairman's allowance;
- Meeting allowance;
- Expenses incurred in the course of their duties as Directors; and
- Benefit in kind such as motor vehicle, petrol, driver, medical benefits, use of mobile phone and accommodation.

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

The Nomination and Remuneration Committee should conduct a periodical review of the criteria to be used in recommending the remuneration package of Directors, as and when it is necessary.