

# Remuneration Policy

## Introduction

This policy sets out the criteria to be used in recommending the remuneration package for 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.

## Executive Directors and Senior Management

### 1. Salary

Salary for executive directors and senior management shall be set at a level aimed to attract and retain them in these roles.

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

Executive directors and senior management are not entitled to receive annual Directors' fees and meeting allowance for Board and Committee meetings they attend.

### 2. Bonus

The bonus of executive 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. An assessment is made to ensure that all factors which include measurable and not directly measurable are considered.

### **3. Benefits**

The benefits include claimable expenses incurred while performing their duties and benefits in kind such as a motor vehicle, petrol, driver, medical benefits, use of mobile phone, and accommodation subject to their package respectively.

## **Non-Executives Directors**

### **1. Fee**

The remuneration for non-executive directors shall reflect the Board's responsibilities, expertise, and complexity of the Company's activities. The fees for non-executive directors are payable on a quarterly basis in arrears.

### **2. Meeting Allowance**

Attendance allowances are paid to the non-executive directors for each Board or committee meeting they attend.

### **3. Medical Benefits**

Medical benefits are provided for non-executive directors subject to shareholders' approval granted at the Annual General Meeting of the Company held every year.

### **4. Reimbursement Claims**

Any expenses incurred in the course of their duties as directors are claimable.

The fees of the non-executive directors and other benefits payable to the directors are subject to the Company's shareholders' approval.

## **Periodic Review and Disclosure**

The Nominating and Remuneration Committee shall conduct a periodic review of the criteria to be used in recommending the remuneration package of directors and senior management, as and when it is necessary.

- **The End** -