

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS, EXECUTIVE DIRECTOR AND SENIOR MANAGEMENT

1.0 INTRODUCTION

This remuneration policy (“the Policy”) sets out to provide remuneration principles and guidelines for members of the Board of Directors (“the Board”) and Senior Management of Prestariang Berhad (“Prestariang” or “the Company”), which takes into account the demands, complexities and performance of the Company as well as skills, knowledge and experiences required.

The Policy helps promote long-term goals in safeguarding the Company’s interests and interest of the shareholders. It is aimed at motivating the Board and the senior management to achieve the Group’s business objectives.

2.0 REMUNERATION OF NON-EXECUTIVE DIRECTOR

Remuneration of non-executive directors is determined with regards to the Company’s needs to maintain appropriate experienced and qualified board members in accordance with competitive pressures of the marketplace.

Non-Executive Directors are paid an annual retainer fee. They do not receive performance incentive payments (short-term or long-term), share appreciation rights or options, pension fund benefits, loans on preferential terms, expense allowances or any other form of financial assistance.

This Policy is designed based on the following principles:

- to attract and retain directors.
- to motivate directors to achieve Company’s business objective.
- to align the interests of the Directors with the long-term interest of the shareholders.

In determining the remuneration of non-executive directors, the Remuneration Committee is guided by benchmarking comparable companies, whilst taking into consideration board members’ required experiences, competencies, efforts and the scope of the Board’s works, including the number of meetings.

The remuneration of members of the Board shall be voted for approval by the shareholders annually during the General Meeting. The remuneration of the Board and its committee shall be reported in the annual report.

The executive directors do not receive any remuneration for directorships held in Prestariang and its subsidiaries, while non-executive directors receive remuneration package consisting of the following components:

Fixed	Variable
<ul style="list-style-type: none">•Board Fee•Committee Fee•Benefits<ul style="list-style-type: none">•Directors and Officers Liability Insurance•Benefits-in-kind e.g. company car	<ul style="list-style-type: none">•Meeting Allowance•Other Emoluments

2.1 Fixed components

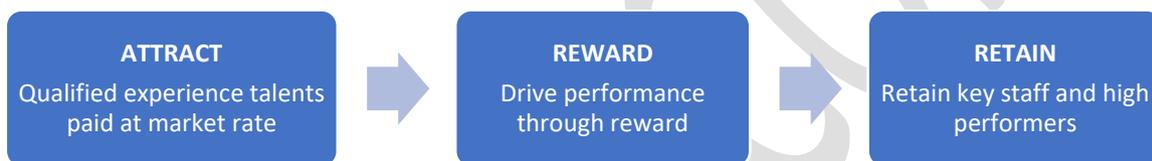
Members of the Board receive a fixed amount of Director fee (basic remuneration) including other benefits. The Chairman of the Board and other Board Committees, are remunerated higher than the other members and different remuneration are also paid for the different Board Committees to reflect the complexity and amount of effort required.

2.2 Variable components

The variable components comprise of the meeting allowance and other emoluments.

3.0 REMUNERATION OF EXECUTIVE DIRECTOR AND SENIOR MANAGEMENT

The Board believes that a combination of fixed and performance-based pay for the Executive Director and Senior Management helps ensure that the Company can attract and retain key talents. At the same time, the Executive Director and Senior Management (C-Levels) is given an incentive to create shareholders' value through partly incentive-based pay. Components of the remuneration are structured to link rewards to individual performance.



Remuneration of Executive Directors (the GCEO and other Senior members of Management who are also members of the Prestariang Board) is governed by the principles and practices as applicable to other salaried employees of the Group. Members of the executive director and senior management are employed under contract of service, and the Remuneration Committee sets the terms within the frames of the contracts, that are approved by the Board.

The Group Human Capital and Administrative Department (“HCAD”) prepares proposals on the remuneration of the Executive Director and Senior Management and ensures that the remuneration is competitive, attractive and in line with comparable companies. The proposal is submitted to the Remuneration Committee for consideration and if deem fit, to be approved by the Board.



Members of the Executive Director and Senior Management receive a competitive remuneration package consisting of the following components:



3.1 Base salary

The base salary shall be paid based on the market rate, as stated in contract of service.

Base salary is fixed determined based on skills, competencies, responsibilities and performance of the employee, taking into consideration market competitive level.

3.2 Bonus, Cash Incentives and KPI Milestone Incentives for Special Project

Bonus and cash incentive are variable performance-based components and shall be within the limits of the overall guidelines for incentive pay for Board's approval. The bonus is proposed to be paid out annually/ periodically after adoption of the finalised financial statement for the relevant financial year.

The purpose is for motivating, rewarding and retaining high-performing employees who generate shareholder value and contribute to the success of the Group. Performance-based and not guaranteed, reflecting the individual employee's performance, and business unit or function performance as well as the Group's results.

The incentive scheme is based on target achievement of several parameters encompassing financial and non-financial criteria, such as revenue, profit before tax, new business contracts, Environment, Social and Governance ("ESG") performance etc, depending on the Key Performance Indicators and milestone achievement (quantitative and qualitative measures) determined by the Board.

3.3 Benefits

Members of the Executive Director and Senior Management are remunerated with several work-related benefits, including company car and/or car allowance, telephone & broadband allowance, medical insurance (medical insurance is also extended to family members) and others. The extent of individual benefits is negotiated with each individual member of the Executive Director and Senior Management.

Members of the Executive Director and Senior Management are covered by insurance policies as follows:

- Life insurance
- Accident insurance
- Hospitalisation insurance
- Directors and Officers Liability Insurance

3.4 Long term variable component

The Board retains and rewards the identified talents based on quantitative measures through shares and career enhancement within the Group of Companies with the objective to attract, motivate, retain and reward key employee of requisite quality that increases productivity and profitability of the Group in the long run.

3.5 MALUS AND CLAWBACK

If it is proved after the grant of variable components to members of the Executive Director and Senior Management that the bonus and cash incentives were paid erroneously, the Company may in exceptional cases reclaim in full or in part variable components.

Variable pay awards may be made subject to adjustment events. At the discretion of Remuneration Committee, such an award may be adjusted before delivery (malus) or reclaimed after delivery (clawback) if an adjustment event occurs. Remuneration Committee may reduce the quantum of the cash short term and long-term incentive in whole or in part after the occurrence of an actual risk event (“trigger event”). The trigger events include, but are not limited to:

- discovery of a material misstatement of the financial results for the performance, resulting in an adjustment in the audited consolidated accounts;
- non-compliance with a financial reporting requirement,
- reasonable evidence of actions or conduct which, in the reasonable opinion of the Board, amounts to employee misbehaviour, dishonesty, fraud or (gross) misconduct.
- subsequent underperformance on an individual level

This list of trigger events is not exhaustive and the decision to reduce the quantum of future awards/ incentives ultimately resides with the Remuneration Committee

In addition, Remuneration Committee will retain discretion in assuring itself that there is satisfactory underlying performance before releasing any variable pay to Executive Director/ Senior Management and may withhold all or some of the bonus if it considers that the underlying performance (financial, environmental, safety or other) of Prestariang is inadequate.

4.0 REVIEW OF NON-EXECUTIVE DIRECTORS’ REMUNERATION

The Remuneration Committee may from time to time make recommendations to members in relation to any increase in total fees. Any review shall be tabled to the shareholders at general meetings for approval.

5.0 REVIEW OF POLICY

This Policy is subject to regular review by the Remuneration committee and will be amended as appropriate to reflect the current best practices.

The Policy will evolve from time to time, to align with Prestariang's business strategy, shareholders' value, best practices and recommendations as set out by the Malaysian Code on Corporate Governance 2017.

6.0 DISCLOSURE

The remuneration for Executive and Non-Executive Directors shall be disclosed to the shareholders in the annual report and Prestariang website.

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