

## **DIRECTORS AND SENIOR MANAGEMENT'S REMUNERATION POLICY**

### **1. Introduction**

This policy sets out the criteria to be used in recommending the remuneration package of Directors and Senior Management of AppAsia Berhad (“**the Company**”) and is in line with the best practice provisions of the Malaysian Code on Corporate Governance.

### **2. Objectives**

This policy is designed to:

1. Determine the level of remuneration package of Directors and Senior Management;
2. Attract, develop and retain high performing and motivated Directors, and Senior Management with a competitive remuneration package;
3. Provide a remuneration such that the Directors and Senior Management are paid a remuneration commensurate with the responsibilities of their position; and
4. The remuneration shall be based on conditions that are market competitive and at the same time aligned with shareholders' interests. Hence, encourage the value creation for the Company and its Stakeholders.

### **3. Remuneration Components**

#### **3.1. Fixed remuneration for Executive Directors and Senior Management**

The fixed salary is determined according to:

1. The scope of the duty and responsibilities;
2. The conditions and experiences required;
3. The ethical values, internal balances and strategic targets of the Company;
4. The corporate and individual performance; and
5. Current market rate within the industry and in comparable companies.

#### **3.2. Bonus**

The bonus in the case 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

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the Group results. A discretionary assessment is made to ensure that all factors which include measurable and not directly measurable are considered.

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

The fixed fee is determined according to:

1. On par with the rest of the market;
2. Reflect the qualifications and contribution required in view of the Group's complexity;
3. The extent of the duty and responsibilities;
4. The number of Board meetings; and
5. The corporate and individual performance

#### **3.4. Other Benefits and Allowances**

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

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

## **4. Remuneration Procedures**

1. The Remuneration Committee comprised of only Independent Directors. The Remuneration Committee reviews and approves the annual salaries, incentive arrangements, service arrangements and other employment conditions for the Executive Directors.
2. The determination of the remuneration for Non-Executive Directors is a matter for the Board as a whole. The Executive Directors are not present when matters affecting their own remuneration arrangements are considered.
3. The policy of the Remuneration Committee is in line with the Group's overall practice on compensation and benefits, which is to reward employees competitively, taking into account performance, market comparisons and competitive pressures in the industry. Whilst not seeking to maintain a strict market position, it takes into account comparable roles in similar organisations.

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**5. Periodic Review and Disclosure**

1. This Policy should be reviewed annually by the Remuneration Committee. Any revision or amendment to this Policy shall be deliberated upon by the Remuneration Committee and any recommendation for revisions shall be proposed to the Board for its approval.
2. The Board should disclose this policy on the Company's website.

**END.**