

PUNCAK NIAGA HOLDINGS BERHAD

[199701000591 (416087-U)]

DIRECTORS' REMUNERATION POLICY

1.0 POLICY STATEMENT

The Board recognizes the importance to attract and retain talent at the Board level by having a fair and comprehensive remuneration package that commensurate with the experience, skills and responsibilities which are aligned with the business strategy and long-term objectives of the Company and benchmarked against the industry's standards.

2.0 OBJECTIVE

The Policy aims to:

- i) Attract and retain the right talent to drive the business operations successfully in order to achieve Company's and the Group's business targets, strategy and long-term objectives; and
- ii) Support the business strategy in promoting business stability, growth, continuity and sustainability of the Company and the Group.

3.0 DIRECTORS' REMUNERATION

3.1 The Board, as a whole, shall determine the level of remuneration paid to its Directors.

3.2 The level and make-up of remuneration should be sufficient to attract and retain the Board members needed to run the Company successfully but the Company should avoid paying more than is necessary for this purpose. The remuneration packages of the Board and Executive Directors are determined based on merit, qualification and competence and the Company's/Group's performance including performance in managing sustainability risks and opportunities and operating results and industry standards.

- 3.3 The component parts of remuneration should be sufficient so as to link reward to corporate and individual performance, in the case of the Executive Directors. The Executive Directors shall not be involved in discussions to decide on their own remuneration. Executive Directors of the Company/PNHB Group who are the Senior Management of the Company/PNHB Group receive no fees but are paid as full-time employees of the Company and/or subsidiary companies of PNHB.
- 3.4 In the case of the Independent Non-Executive Directors, the level of remuneration should reflect the experience and level of responsibilities undertaken by the particular Independent Non-Executive Director concerned. The remuneration package of the Independent Non-Executive Directors of the Company should not conflict with their obligations to bring an objective and independent judgement on matters discussed at the Board and Board Committees.
- 3.5 Independent Non-Executive Directors receive no share options nor significant benefits from the Company, other than their allowances fees, which shall be paid as follows:
- 3.5.1 monthly allowance;
 - 3.5.2 additional remuneration (an extra fee) – as Chairman of the Audit Committee or Board Committees; if any;
 - 3.5.3 meeting allowance – for attendance at Board Meetings, Board Committees Meetings, General Meetings and adjourned meetings of the Company; and
 - 3.5.4 corporate golf club membership.
- 3.6 Remuneration shall be reviewed, at least annually by the Board and the Remuneration Committee shall recommend the remuneration for the Executive Directors. The Executive Directors shall not be involved in discussions to decide on their remuneration.

- 3.7 A formal and transparent procedure is established for developing the policy on executive remuneration and for fixing the remuneration packages of individual Board members which are tabled to the Remuneration Committee and Board for approval. The remuneration of the Independent Non-Executive Directors of the Company are tabled to the Annual General Meeting of the Company for the shareholders' approval on an annual basis.
- 3.8 No Board member, whether executive or non-executive, shall be involved in deciding his own remuneration.
- 3.9 The Board should report to the shareholders on the Directors' remuneration and this should be included in the annual report.

4.0 REVIEW OF POLICY

- 4.1 The Policy will be reviewed by the Remuneration Committee as appropriate from time to time upon recommendation by the Management and submitted to the Board for approval to reflect the current best practices and to ensure that the Policy is in line with corporate governance standards and requirements imposed by the regulatory authorities from time to time.
- 4.2 In its review, the Remuneration Committee and the Board may seek for an independent consultant's view and data survey on the industry practice of comparable peers within the industries that the Group operates into, if deemed necessary.
- 4.3 The Policy may be amended by a resolution of the Board from time to time, if deemed necessary.

5.0 DISCLOSURE

The Company will make the appropriate disclosures in its annual report of the key aspects of the Policy including explaining any departures from the best practices and recommendations as set out in the Malaysian Code on Corporate Governance, if any.