

**HARRISONS HOLDINGS (MALAYSIA) BERHAD (COMPANY NO. 194675-H)**  
**BOARD CHARTER**  
**- REMUNERATION POLICY**

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**1. LEVEL AND MAKE-UP OF REMUNERATION**

The Group has adopted the objective as recommended by the code to determine the remuneration of the directors so as to ensure that the Company attracts and retains the Directors needed to run the group successfully. This policy and procedures aim to ensure that members of the Board are rewarded fairly for their respective individual contributions to the Group. The component parts of their remuneration structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflect the level of responsibilities undertaken by the individual Non-Executive Director concerned.

**2. PROCEDURE**

The Remuneration Committee is responsible for recommending to the Board the policy framework on terms of employment and on all elements of the Directors' remuneration and remuneration package for the Executive Directors. The Remuneration Committee is authorised to review and recommend the annual bonus and salary increment of the Executive Directors of the Company. Directors' Remuneration is decided by the Board with the Director concerned abstaining from deliberations and voting accordingly. The Remuneration Committee may receive advice from external consultants, if required. It's nevertheless, the ultimate responsibility of the Board to approve the remuneration of these Directors.

**3. THE REMUNERATION COMMITTEE SHALL:**

- i) Ensure that Director, whether executive or non-executive, should abstain from discussion and from participating in decision of their remuneration packages.
- ii) Recommend and advise the Board of Directors the remuneration and terms of conditions (and where appropriate, severance payments) of Executive Directors.
- iii) Recommend to the Board the level, composition and periodic review of Directors' Remuneration.
- iv) Seek comparative information on remuneration and conditions of service in comparable organisations and market practice.
- v) When considering severance payments, the Remuneration Committee should bear in mind that it must represent the public interest and avoid any inappropriate use of public funds. Care should be taken to avoid determining a severance package that public might deem to be excessive.

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- vi) Consider that the determination of the remuneration packages of Non-Executive Director (whether in addition to or in lieu of their fees as directors) is a matter for the Board as a whole.
- vii) Review and recommend to the board of any extra remuneration to be paid to any Directors who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director of the Company.
- viii) Ensure that fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.
- ix) Provide the Board with the opportunity to review, prior to implementation, the composition of any management incentive scheme.
- x) Provide the Board with the opportunity, to review, prior to implementation, the nature, composition and eligibility for any employee share option scheme.
- xi) Carry out other responsibilities, functions or assignments as may defined by the Board from time to time.

**4. DIRECTORS' REMUNERATION PACKAGE**

The remuneration package of the Directors is as follows:

**i) Basic Salary**

The basic salary for the Executive Directors is recommended by the Remuneration Committee, taking into account the individual performance, the consumer price index and information from independent sources on the rates of salary for similar positions in other comparable companies. The salary is reviewed annually. The salary payable pursuant to a contract of service need not be determined by the Company in general meeting but such salary and emoluments may not include a commission on or percentage of turnover of the Company.

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**ii) Fees**

The Directors shall be paid by way of fees for their services, such fixed sums (if any) as shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provide) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office.

The fees payable to Non-Executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

**iii) Bonus Scheme**

The Group operates a bonus scheme for all employees, including the Executive Director. The criteria for the scheme is dependent on the level of profits achieved from certain aspects of the Group's business activities as measured against targets, together with an assessment of each individual's performance during the period. Bonuses payable to the Executive Directors and Key Senior Management are reviewed by the Remuneration Committee and approved by the Board.

**iv) Benefits-in-kind**

Other customary benefits (such as private medical cover, car, etc) are made available to Directors as appropriate.

**v) Pension Arrangements**

The Executive Director contributes to the Employees Provident Fund, which is the national mandatory contribution plan.

**vii) Service Contract**

The contract of service for Managing Director and Executive Director is reviewed and recommended by the Remuneration Committee to the Board for approval.