



**Remuneration
Policies & Procedures**

26 October 2018



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A) INTRODUCTION

The Remuneration Policies and Procedures (“Policies and Procedures”) sets out the remuneration principles and framework for Executive Directors, Independent Non-Executive Directors and Senior Management of Ecorfirst Consolidated Bhd (“Company”) and its subsidiaries (“Group”).

The Board of Directors of the Company (“Board”) recognises the need to be competitive in today’s volatile business environment and accordingly, this Policies and Procedures is designed with the aim to support the Company’s key strategies and create a strong performance-orientated environment in attracting, retaining and motivating qualified and competent staff towards achieving long-term vision of the Group.

B) REMUNERATION POLICY FOR DIRECTORS

I) Objectives

The objectives of the Remuneration Policy for Directors are:-

- a) To ensure the level of remuneration are able to attract and retain Independent Non-Executive Directors of the right calibre and having the relevant experience and expertise to provide effective leadership and develop strategic priorities, vision and mission for the Group.
- b) To ensure that the level of remuneration package(s) are able to attract and retain persons having the relevant skills, experience, competency and expertise to serve as Executive Director whereby they will set the direction and goals of the Group and to lead and manage the senior management team in achieving the defined goals.

II) Procedures for Determining Remuneration Package of Directors

a) Independent Non-Executive Directors

The Remuneration Committee of the Board will review the directors’ fee for the Independent Non-Executive Directors, taking into consideration the experience, skills and expertise and contribution towards to the Group for the year on annual basis. The Remuneration Committee will then recommend to the Board the fees that commensurate with their respective scope of the duties and responsibilities, subject to the approval of the shareholders of the Company at general meeting.

The respective Directors shall abstain from deliberation and voting in respect of theirfees.



b) Executive Directors

The Remuneration Committee of the Board will review the scope of responsibilities, competency and skills of the Executive Directors in leading and guiding the Group towards the achievement of the Group's business and financial performance for the year on annual basis. All recommendations pertaining to the remuneration package(s) of the Executive Directors shall then be made by the Remuneration Committee to the Board of Directors.

C) REMUNERATION POLICY FOR SENIOR MANAGEMENT

I) Objectives

The objectives of the Remuneration Policy for Senior Management are:

- a) To reward individuals for the achievement of the Company's objectives and motivates high levels of performance;
- b) To reward exceptional performance by individual through the Performance Management System;
- c) To allow the Company to compete effectively in the labour market and to recruit and retain high calibre staff;
- d) To achieve fairness and equity in remuneration and reward.

II) The Company's remuneration policy is developed based on the following guiding principles:

- a) **Support for Strategic Objective**
Remuneration and reward frameworks and decision shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company vision and strategy
- b) **Transparency**
The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate level of confidentiality.
- c) **Internal Equity**
The Company shall remunerate all employees fairly in terms of their roles and responsibilities with the organisation.
- d) **Flexibility**
Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.



e) Performance Driven Remuneration
The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Management System.

f) Affordability and Sustainability
The Company shall ensure that remuneration is affordable on a sustainable basis.

III) The remuneration of Senior Management will be recommended by the Group Chief Executive Officer / Executive Director and tabled to the Remuneration Committee for endorsement and the Company will regularly review the list of employees who fall within the definition of Senior Management.

D) REMUNERATION STRUCTURE

I) Independent Non-Executive Directors

The fees for the Independent Non-Executive Directors shall not be linked to the financial results of the Company and they shall not entitle to any performance bonus or any incentive arrangement. The remuneration of Independent Non-Executive Directors include annual Directors' fees and meeting allowances for every Board or Board Committee meeting attended.

The fees for Independent Non-Executive Directors is reviewed by the Remuneration Committee annually. In order to ensure the remuneration is fair and reasonable, the Remuneration Committee will compare the remuneration of the Independent Non-Executive Directors with some selected peer companies from time to time.

The fees payable to the Independent Non-Executive Directors shall be subjected to the approval of shareholders at the General Meeting.

II) Executive Directors and Senior Management

The remuneration structure for the Executive Directors and Senior Management varies accordance to the job grades and the operational / functional responsibilities, and it is weighted towards performance related elements that take into account of individual, functional and corporate performances.

The 3 main components of the remuneration package included the following:-

a) Fixed Remuneration

The fixed remuneration includes the following:-

- (i) Monthly Salary;
- (ii) Employee Provident Fund;
- (iii) Company Car and Driver (if applicable);
- (iv) Travelling and Car Allowance (if applicable).



b) Variable Remuneration

The variable remuneration of the Executive Directors and Senior Management depend on the performance of the Group for the relevant financial year, which is determined based Performance Management System of the Group and the review conducted on a yearly basis.

The variable remuneration consists of short term and long term incentives as follows:-

- (i) Short Term Incentives (e.g. Performance Bonus and Incentive Pay)
- (ii) Long Term Incentives (e.g. Employee Share Option Scheme)

c) Other Benefits

Other benefits include group hospitalisation & surgical, medical treatment and annual medical checkup, group personal accident and handphone bills reimbursement.

E) APPLICABILITY

The Policies and Procedures applies to the Directors and Senior Management of the Group.

F) POLICY REVIEW

The Remuneration Committee will review the Policy as and when required and shall recommend any such changes to the Board for deliberation and approval.