



**E.A. TECHNIQUE (M) BERHAD**

**REMUNERATION  
POLICY & PROCEDURES**

## Definitions and Abbreviations

Except when the context otherwise requires, the following definitions and abbreviations shall apply throughout this policy:

BOARD	The Board of Directors
Committee	Remuneration Committee
EAT / Company	E.A. Technique (M) Bhd
Listing Requirement	Main Market Listing Requirements of Bursa Malaysia Securities Berhad
Management Team	Includes the Chief Operating Officer, Chief Financial Officer and members of the senior management who are involved in making strategic decisions.
MCCG	Malaysian Code on Corporate Governance 2017
MD/ED	Managing Director / Executive Director
NEDs	Non-Executive Directors
Policy	Remuneration Policy and Procedures

## Table of Contents

<b>1.0 INTRODUCTION</b> .....	3
Purpose .....	3
Scope and Application.....	3
Objectives.....	3
<b>2.0 REMUNERATION COMMITTEE</b> .....	4
<b>3.0 REMUNERATION STRUCTURE</b> .....	4
NEDs.....	4
MD/ED .....	4
Management Team.....	5
<b>4.0 REVIEW AND APPROVAL OF REMUNERATION PACKAGE</b> .....	5
NEDs.....	5
MD/ED and Management Team.....	5
<b>5.0 SHAREHOLDER VOTING ON THE REMUNERATION</b> .....	5
<b>6.0 REVIEW OF POLICY</b> .....	5

## 1.0 INTRODUCTION

### Purpose

This policy is the guiding document for the Board and the Committee of the EAT to determine the remuneration of Directors and management team by taking into account the complexity of the Company's business, individual experience, qualification and competency and performance of the Company.

This policy set out the criteria to be used in recommending the remuneration package of the following persons of EAT:

- i. The NEDs of EAT;
- ii. The MD/ED of EAT;
- iii. The management team of EAT.

### Scope and Application

This policy is prepared pursuant to the Principle A (III), practice 6.1 and practice 6.2 of the MCCG 2017 issued by the Securities Commission and should be read together with the following legislations:

- a) Companies Act 2016;
- b) Listing Requirements

### Objectives

The main objectives of this policy as follows:

- a) To be in line with the business strategy and long-term objectives.
- b) To determine the level of remuneration package of Directors and management team;
- c) To attract and retain high-quality individuals with the mixture of competencies, ability, experience and skill to contribute to the performance of the Company and deliver on the long-term Company objectives;
- d) To be aligned with the principle of protection of stakeholder's interests and prevention of conflict of interests.

## 2.0 REMUNERATION COMMITTEE

In accordance with the Terms of Reference of the Remuneration Committee, the Committee is responsible for reviewing the remuneration policies; evaluating; deliberating and recommending to the Board compensation and benefits based on market norm and best industry practices. The Committee is also responsible for evaluating the MD/EDs' remuneration that is linked to the performance of the MD/ED and the Group. Details of the committee roles and responsibilities is made available on the Company's website.

## 3.0 REMUNERATION STRUCTURE

Remuneration is critical to attract, retain and motivate directors and management team. The remuneration package should take into account the complexity of the company's business and the individual's responsibilities.

### NEDs

Remuneration components for NEDs consists of:

#### a) Fee

The NEDs remuneration is made up in the form of fees and payable annually. There are remunerated based on the fixed sum and not by a commission on or percentage of profits or turnover.

#### b) Allowance

The NEDs receive a variable allowance for the purpose of attending Board or Committee meetings.

### MD/ED

The remuneration of MD/ED consists of:

#### a) Salary

Salary levels take into account the nature of the role, performance of the business and individuals.

#### b) Benefits-in-kind

MD/ED are entitled to receive benefits such as term life insurance, dental, medical benefits, car allowance, utilities, entertainment, housing, and annual leave.

### c) **Annual Bonus**

Annual bonus is a variable remuneration that have performance based component. The level of bonus payable may vary depending on the performance of individual against Company performance.

### **Management Team**

Remuneration components for management team is made up of salary, annual bonus and benefits-in-kind. Annual bonus is a variable remuneration that have performance based component which it is subject to the individual and Company performance.

The management team are entitled to the benefits-in-kind such as allowances (car, utilities, housing), group insurance, medical benefits and annual leave.

## **4.0 REVIEW AND APPROVAL OF REMUNERATION PACKAGE**

### **NEDs**

The remuneration packaged of the NEDs are reviewed by Committee on periodically basis depending on the Company performance and market conditions. The directors fixed fees and benefits are subject to the shareholders' approval at AGM.

### **MD/ED and Management Team**

The remuneration of the MD/ED and management team will be based on the employment contract recommended by Committee and approved by the Board.

## **5.0 SHAREHOLDER VOTING ON THE REMUNERATION**

MD/ED and Directors who are shareholders shall abstain from deliberation and voting at annual general meeting on decisions to approve their own remuneration packages.

## **6.0 REVIEW OF POLICY**

The Committee shall review and assess the effectiveness and continued relevance of this policy periodically. If there is a change in law and requirements, this policy will be amended as appropriate to reflect the changes and current best practices. This policy is made available on the Company's website.