



# **AME ELITE CONSORTIUM BERHAD**

Registration No. 201801030789 (1292815-W)

(Incorporated in Malaysia)

## **REMUNERATION POLICY FOR DIRECTORS AND KEY SENIOR MANAGEMENT**

## 1. INTRODUCTION

The Remuneration Committee (“**RC**”) of AME Elite Consortium Berhad (“**Company**”) is responsible to ensure that Directors and Key Senior Management are fairly rewarded for their individual contributions to the overall performance of the Company and its subsidiaries (“**Group**”).

The remuneration of Executive Directors and Key Senior Management is set by the Board of Directors (“**Board**”) based on the recommendation from the RC, whereas the remuneration of Non-Executive Directors is also set on the same basis, except it requires shareholders’ approval at a general meeting of the Company.

## 2. OBJECTIVE

The objective of this policy is to outline the principles for the RC to determine and propose an appropriate level of remuneration that allows the Company to attract and retain talented and well-qualified Directors and Key Senior Management.

## 3. GUIDING PRINCIPLES IN REMUNERATING THE DIRECTORS OF THE COMPANY

The guiding principles in remunerating the Directors of the Company are as follows:

- Fees payable to Directors who hold non-executive office in the Company shall be paid by a fixed sum and not by the commission on the percentage of profits or turnover;
- Fees and/or benefits (including meeting allowances) payable to Directors are subject to annual shareholders’ approval at a general meeting, where notice of the proposed fees and/or benefits has been given in the notice convening the meetings;
- Fees payable to an Alternate Director (if any) shall be agreed upon between the Alternate Director and the Director nominating him/she and shall be paid out of the remuneration of the latter; and
- Salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.

## **4. EXECUTIVE DIRECTORS AND KEY SENIOR MANAGEMENT STRUCTURE**

### **4.1 Fixed Components**

Fixed monthly salaries and/or fees for Executive Directors and Key Senior Management are set according to:

- ✓ Job nature of the position including responsibility and complexity
- ✓ Qualification, skills, expertise and experience
- ✓ Other market conditions

### **4.2 Variable Components**

Performance-based remuneration e.g. short term incentive – bonus, long term incentive – share options (if any) are determined based on:

- ✓ Individual performance indicators
- ✓ Individual overall contribution to the business

### **4.3 Benefits Components**

Common benefits e.g. annual leave, medical leave and Employee Provident Fund (“EPF”)

Benefits-in-kind e.g. company car, driver, club subscription, professional membership subscription, medical, travel and life insurance coverage

In addition to common benefits, benefits-in-kind may be provided to increase the economic security of Executive Directors and Key Senior Management as an incentive to attract and retain talent.

### **4.4 Abstain from Voting**

The fees and benefits payable to the Directors are subjected to the shareholders’ approval at a general meeting of the Company. Each Director shall abstain from voting on his/her individual remuneration.

## 5. NON-EXECUTIVE DIRECTORS

The Non-Executive Directors' remuneration should reflect the Board's responsibilities, qualifications, skills, expertise and experience, as well as the complexity of the Company's activities. The Non-Executive Directors' remuneration shall consist of fixed Directors' fee and Board Committees' fee per annum and meeting allowances for every Board and Board Committees' meeting attended. Their remuneration shall be reviewed annually with reference to companies in similar industries or scale by the Board and the RC. The fees and benefits payable to the Directors are subjected to the shareholders' approval at the annual general meeting of the Company. The Non-Executive Directors shall abstain from voting on their own remuneration.

## 6. BENCHMARKING

The Company shall conduct periodic or appropriate benchmarking exercises to assess the competitiveness of the Company's total remuneration packages for Directors and Key Senior Management with relevant markets and industries.

The Company shall refer to the disclosures in annual reports of companies in similar industries or scales, as one of the sources to obtain benchmarking information.

## 7. KEY CONSIDERATION FACTORS

The setting and adjustment of the Directors and Key Senior Management's remuneration should consider the key factors below:-

- a) Business Acumen  
Ability to deal with a business situation in a manner that is likely to lead to a positive outcome.
- b) Relevant Knowledge  
Ability to understand the Group's organisational strategy, culture, financial metrics, macro and micro economics, operating model, sustainable business growth, shareholder value creation prevalent to the Group and how is achieved through human capital.
- c) Legislative Regulations and Governance  
Ability to understand and comply with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the relevant authorities.

- d) Risk Management  
Ability to understand and deliberate the Group's Risk Management Framework including the risk appetite, risk profile and risk control measures.
- e) Leadership  
Ability to provide guidance and direction in terms of key business decisions in terms of people strategy, human resources policy, training and development, employee relations, employee engagement and value propositions.
- f) Decision Making  
Be willing to take unpopular decisions and deliver "bad news" to management for whatever reason.
- g) Willingness to take Unpopular Decisions  
Ability to propose and/or make decisions decisively and take the necessary actions in the best interests of all stakeholders.
- h) Analytical and Problem Solving  
Ability to understand the various components of the business and resolve issues efficiently by applying logical thinking, asking the right questions and understanding the trade-off effect of one decision on other processes.
- i) Engagement in Deliberation  
Ability to participate in meetings in such a way that encourages robust and probing productive and constructive deliberation.
- j) Communication and Stakeholder Management  
Ability to adopt a stakeholder inclusive approach that balances the needs, interests and expectations of stakeholders in the best interests of the Group over time.
- k) Strategy Development  
Ability to play a prominent role in the strategy development process and should ensure that the remuneration package is linked to value creation for stakeholders over the short, medium and long-term.
- l) Monitoring Performance  
Ability to effectively interpret data and information in whatever format presented in order to readily identify key points, issues, trends or anomalies of contextual significance relating to the Group.

- m) Critical Thinking  
Ability to conduct objective analysis and evaluation of an issue to form a judgement and reserve judgement until all facts have been thoroughly examined.
- n) Interpersonal Skills  
Ability to work effectively with others, influence positively and constructively and demonstrate a high degree of emotional intelligence.
- o) Conflict Management (Independent Non-Executive Director)  
Be proficient in managing the conflicts and tensions between the minority shareholder interest and/or management. The ability to act independently in terms of character and judgement and there should be no relationships or circumstances which are likely to affect, or could appear to affect this independence.
- p) Conscience  
Act with full integrity, intellectual honesty and independence of mind in the best interests of the Group and its stakeholders in accordance with the inclusive stakeholder approach to corporate governance.
- q) Commitment  
Be diligent in performing duties and devote sufficient time to the Group's affairs. Dedicate sufficient time for preparation, attendance of meetings (including contribution in the meeting), follow-up activities as well as shareholder meetings, where required.

## 8. REVIEW

The effectiveness of this policy shall be reviewed periodically by the RC and submitted to the Board for deliberation and approval.

The Board adopted this Policy on 12 May 2020. The Board reviewed it on 26 May 2023.

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