

REMUNERATION POLICY

1. Introduction

1.1 This policy sets out the criteria to be used in recommending the remuneration package of Directors and Senior Management of Pensonic Holdings Berhad (“PHB” or “the “Company”) and is in line with the best practice provisions of the Malaysian Code on Corporate Governance (“MCCG”).

2. Objectives

2.1 This policy is designed to:

- (a) Determine the level of remuneration package of Directors, Managing Director (“MD”), Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and Chief Operating Officer (“COO”);
- (b) Attract, develop and retain high performing and motivated Directors, MD, CEO, CFO and COO with a competitive remuneration package;
- (c) Provide a remuneration such that the Directors, MD, CEO, CFO and COO are paid a remuneration commensurate with the responsibilities of their position; and
- (d) Encourage value creation for the Company and its Stakeholders.

3. Remuneration Components

3.1. Fixed Remuneration for MD, Executive Directors (“EDs”), CEO, CFO and COO

The fixed salary is determined according to:

- (a) The scope of the duty and responsibilities;
- (b) The conditions and experiences required;
- (c) The ethical values, internal balances and strategic targets of the Company;
- (d) The corporate and individual performance; and
- (e) Current market rate within the industry and in comparable companies.

3.2. Bonus

- (a) The bonus in the case of MD, EDs, CEO, CFO and COO is designed to reward outstanding performance.
- (b) The bonus is granted to reflect the MD, EDs, CEO, CFO and COO's performance as well as Group results. A discretionary assessment is made to ensure that all factors which include measurable and not directly measurable are considered.

3.3. Fixed Fee for Members of Board of Directors

- (a) The fixed fee is determined according to:
 - (i) On par with the rest of the market;
 - (ii) Reflect the qualifications and contribution required in view of the Group's complexity;
 - (iii) The extent of the duty and responsibilities; and
 - (iv) The number of Board meetings

3.4. Other Benefits and Allowances for Members of Board of Directors

- (a) The benefits and allowances are determined by the Board per the Framework approved from time to time.

4. Periodic Review and Disclosure

4.1 The Remuneration Committee should conduct a review on an annual basis of the criteria to be used in recommending the remuneration package of MD, EDs, CEO, CFO and COO. The Remuneration Committee should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.

4.2 The Board should disclose this policy in the annual report.

5. Effective Date

5.1 This policy is effective 13 September 2018.