



**POWERWELL HOLDINGS BERHAD**  
**Registration No. 200101009151 (544907-X)**  
(“Powerwell” or “the Company”)  
(Incorporated in Malaysia)

## **REMUNERATION POLICIES & PROCEDURES**

### **1. INTRODUCTION**

The Remuneration Policies & Procedures (“**Policies & Procedures**”) sets out the remuneration principles and framework for the Executive and Non-Executive Directors, and senior management of Powerwell 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 & 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.

### **2. OBJECTIVES**

The objectives of this Policies & Procedures are as follows:

- To create a fair and transparent system for determining the appropriate levels of remuneration for both Executive and Non-Executive Directors, and senior management.
- To ensure that the levels of remuneration are sufficient to attract and retain persons having the relevant skills, experience, competency and expertise to serve as Executive Directors and senior management, and to encourage them to perform to the highest level.
- To ensure that the levels of remuneration are sufficient to attract and retain Non-Executive Directors of the right caliber and having the relevant experience and expertise to provide effective leadership and develop strategic priorities, vision and mission for the Group.

### **3. REVIEW AND APPRAISAL**

The Remuneration Committee (“**RC**”) is responsible for the implementation, monitoring and review of this Policies & Procedures. The RC will provide recommendations to the Board as to how to effectively structure and facilitate a remuneration strategy, which will meet the needs of the Group.

The Board is responsible for approving the remuneration strategy for Directors and senior management. In determining whether or not to approve the relevant levels of remuneration, the Board will consider the recommendations of the RC, prevailing market conditions, performance of the individuals and the business strategies and objectives of the Group.

#### **4. PROCEDURES FOR DETERMINING REMUNERATION PACKAGES**

##### **4.1 Executive Directors and Senior Management**

On an annual basis, the RC will review the scope of responsibilities, competency and skills of the Executive Directors and senior management in leading and guiding the Group towards achieving defined goals and will assess their performances against the business and financial performance of the Group for the year. After taking these factors into consideration, all recommendations pertaining to the remuneration packages of the Executive Directors shall then be made by the RC to the Board.

The remuneration of senior management will be recommended by the Managing Director and tabled to the RC for endorsement and the Company will regularly review the list of employees who fall within the definition of senior management.

The remuneration packages of the Executive Directors and senior management shall comprise a fixed component in the form of monthly salary and benefits-in-kind, and a performance-based component in the form of bonus. In addition, the Executive Directors shall be paid a fee (subject to shareholders' approval at the annual general meeting) to commensurate with their responsibilities serving on the Board.

##### **4.2 Non-Executive Directors**

On an annual basis, the RC will review the fee for the Non-Executive Directors, taking into consideration the experience, skills and expertise they bring to the Board as well as their contribution and time commitment towards the Group for the year. The RC will then recommend to the Board the fee that commensurate with their duties and responsibilities, subject to the approval of the shareholders of the Company at the annual general meeting.

The RC may also recommend other forms of remuneration for the Executive and Non-Executive Directors as well as senior management as it deems fit. The respective Directors shall abstain from deliberation and voting in respect of their remuneration.

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

- (a) Support for strategic objective  
Remuneration and reward frameworks and decisions 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 impartial, conducted in good faith and in accordance with appropriate levels of confidentiality.
- (c) Internal equity  
The Company shall remunerate all employees objectively in terms of their roles and responsibilities within the Group.

- (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 evaluation system.
- (f) Affordability and sustainability  
The Company shall ensure that remuneration is affordable on a sustainable basis

## **5. REVIEW OF THE POLICIES & PROCEDURES**

This Policies & Procedures will be reviewed periodically, as and when appropriate, to reflect the current best practices. The RC will discuss any revisions that may be required and recommend any such revisions to the Board for approval.