



DELEUM

**REMUNERATION FRAMEWORK
(For Executive Directors & Key Senior
Management)**

Date: 15 March 2018

Approved by the Board of Directors of Deleum Berhad
on 15 March 2018

DELEUM BERHAD

REMUNERATION FRAMEWORK FOR EXECUTIVE DIRECTORS AND KEY SENIOR MANAGEMENT

The Executive Directors' and Key Senior Management's Remuneration Framework sets out the payment of Salaries, Allowances and Benefits for Executive Directors and Key Senior Management of Deleum Berhad and its major active operating non-listed subsidiaries ("Deleum") in Malaysia.

The following Remuneration Framework has been approved by the Deleum Board on 15 March 2018.

1.0 REMUNERATION FRAMEWORK FOR EXECUTIVE DIRECTORS AND KEY SENIOR MANAGEMENT:

The framework for Executive Directors and Key Senior Management is reviewed periodically or at least once every 3 years to ensure that the remuneration framework remains competitive with the market and is consistent with Deleum's objective, strategies and performance based culture.

The total remuneration for Executive Directors shall be determined and recommended by the Joint Remuneration and Nomination Committee ("JRNC") to the Board after giving due consideration to all relevant factors.

In reviewing the remuneration package, the factors in determining such are based on the Executive Directors' and Key Senior Management's experience, level of responsibilities and accountabilities, capabilities, performance, complexity and scope of business of Deleum. The individuals concerned shall abstain from discussing their own remuneration package.

(a) Executive Tiers

The framework applies to Executive Directors and Key Senior Management, being the persons having authority and responsibility for planning, directing and controlling the activities of Deleum. These includes the following roles:

- i. Group Managing Directors
- ii. Group Chief Financial Officer
- iii. Group Chief Operating Officer
- iv. Chief Executive Officer
- v. Chief Operating Officer
- vi. Any other role of equivalent level of authority as approved by the Board

(b) Composition of Remuneration

Remuneration for Executive Directors and Key Senior Management consist of the following components:

- i. Fixed remuneration
 - Basic Salary

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ii. Benefits

- Company Car or Vehicle Allowance in lieu of Company Car
- Company Driver
- Club Membership Subscription
- Professional Membership Subscription
- Medical and Insurance
- Other benefits applicable to Employees per category according to Deleum policies

iii. Performance based remuneration:

- Performance Bonus
- Long Term Incentive Awards

(c) Process of review and recommendations

Annual and periodic review on changes and recommendations to the remuneration and benefits of Executive Directors and Key Senior Management, are presented to the JRNC for the necessary recommendations to the Board.

The Committee shall seek to ensure fair remuneration to the Executive Directors and Key Senior Management, which, while set in the context of what the Company can reasonably afford, recognizes the following principles:

- (a) That Executive Directors and Senior Management should receive compensation which is appropriate to their scale of responsibilities and performance against agreed targets;
- (b) That performance targets are established up front to achieve consistency with the interest of shareholders of the Company and appropriate balance between long and short term goals; and
- (c) The need to attract, motivate and retain Executive Directors and Key Senior Management of the necessary caliber to run the Company successfully.

2.0 EMPLOYMENT AGREEMENT

The remuneration and other terms of employment for the Executive Directors and Key Senior Management are formalized in their employment agreements. Each of these employment agreements provide for the payment of fixed and performance-based remuneration, and benefits.

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SENIOR MANAGEMENT

The material terms of the employment agreements for the Executive Directors and Key Senior Management are summarized below:

- i. Type of employment
- ii. Duration of contract/employment
- iii. Fixed remuneration
- iv. Benefits specific to role
- v. Notice of termination
- vi. Confidentiality

3.0 REGULATORY COMPLIANCE

In determining and executing the various components of the remuneration to the Executive Directors and Key Senior Management, Deleum ensures compliance to local and prevailing regulatory requirements.

4.0 REVIEW OF REMUNERATION AND BENEFITS

The JRNC shall review the framework periodically or at least once every 3 years to ensure its effectiveness and that the framework remains relevant and appropriate to the Company. Any changes identified by the JRNC will be recommended to the Board for approval.
