



## **JAG BERHAD**

[Registration No. 199701023733 (439230-A)]  
(Incorporated in Malaysia)

# **DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION POLICY**

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Directors' and Senior Management's Remuneration Policy**

## **1. INTRODUCTION**

This policy sets out the criteria to be used in recommending the remuneration package of Executive Directors and senior management of JAG Berhad ("**JAG**" or "**the Company**") and is in line with the best practice provisions of the new Malaysian Code on Corporate Governance ("**MCCG**") which came into operation effective 26 April 2017.

## **2. OBJECTIVES**

This policy is designed to:

- (a) Determine the level of remuneration package of Executive Directors and senior management;
- (b) Attract, develop and retain high performing and motivated Executive Directors and senior management with a competitive remuneration package;
- (c) Provide a remuneration such that the Executive Directors and senior management are paid a remuneration commensurate with the responsibilities of their position; and
- (d) Encourage value creation for the Company and its stakeholders by attracting and retaining the right talent in the Board and senior management.

## **3. REMUNERATION COMPONENTS**

### **3.1 Fixed Remuneration for Executive Directors and senior management**

The fixed salary is determined according to:-

- The scope of the duty and responsibilities;
- The conditions and experiences required;
- The ethical values, internal balances and strategic targets of the Company;
- The corporate and individual performance;
- Current market rate within the industry and in comparable companies; and
- Merit, qualification and competence.

### **3.2 Bonus**

The bonus in the case of Executive Director is designed to reward outstanding performance. The bonus is granted to reflect the Executive Director's performance as well as the Company and its subsidiaries ("**the Group**") financial 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**

The fixed fee is determined according to:-

- On par with the rest of the market;
- Reflect the qualifications and contribution required in view of the Group's complexity;

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- The extent of the duty and responsibilities; and
- The number of Board of Directors' Meetings.

**3.4 Other Benefits and Allowances**

The benefits and allowances which should be decided by the Board as a whole include:-

- (a) Chairman's allowance;
- (b) Meeting allowance;
- (c) Expenses incurred in the course of their duties as Directors;
- (d) Benefit-in-kind such as motor vehicle, petrol, driver and accommodation; and
- (e) Other emoluments.

**4. PROCEDURES**

- 4.1 The Board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board and senior management.

The Remuneration Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the Company's website.

- 4.2 The Remuneration Committee should only consist of Non-Executive Directors and a majority of them must be Independent Directors, drawing advice from experts, if necessary. Directors who are shareholders should abstain from voting at general meetings to approve their fees. Similarly, Executive Directors should not be involved in deciding their own remuneration.

**5. PERIODIC REVIEW AND DISCLOSURE**

- 5.1 The Remuneration Committee should conduct a periodic review of the criteria and procedures to be used in the recommending the remuneration packages of Executive Directors and senior management. The Remuneration Committee should promptly communicate the new changes or amendments of the criteria and procedures to the Board and individual Directors.

- 5.2 The detailed disclosure allows shareholders to make an informed decision when voting on the approval of Directors' remuneration and to consider the appropriate remuneration package taking into account the responsibilities of the Directors.

- 5.3 The disclosure of how the remuneration is measured allows stakeholders to understand the link between senior management remuneration and the Company's performance. This will also enable stakeholders to determine whether the remuneration is fair and able to attract and retain talent.

- 5.4 The Board should disclose this policy in the annual report of the Company and/or the website of the Company where applicable.

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**6. REVIEW OF POLICY**

This policy will be reviewed annually by the Remuneration Committee or as and when it is required to ensure the information remains current and updated.

**History of the Remuneration Policy**

<b>Date</b>	<b>Description</b>
1 January 2017	Establishment of Directors' Remuneration Policy
23 February 2018	Review of the Remuneration Policy
22 February 2019	Review of the Remuneration Policy