



## ASIA FILE CORPORATION BHD

Registration No. 199401027510 (313192-P)  
(Incorporated in Malaysia)

# REMUNERATION POLICY AND PROCEDURES FOR DIRECTORS AND SENIOR MANAGEMENT

### **Objectives**

The main objectives of this policy and procedure are:-

- a) To create a comprehensive remuneration package for directors and key senior management that attracts, engages, and retains top talent, motivating them to drive the Company's long-term goals and ensure business sustainability and growth; and
- b) To ensure that the remuneration levels for directors and senior management are in alignment with the Company's strategic goals and corporate values, thereby preventing any potential conflicts of interest between the Company and individual directors or key senior management.

### **Approach**

- a) In accordance with the Terms of Reference of Nomination and Remuneration Committee ("NRC"), remuneration matters fall under the purview of the Committee.
- b) The NRC adheres to the following policies and procedures when making recommendations to the Board regarding remuneration for directors and senior management.

### **Remuneration Policy and Procedures**

The NRC will collaborate with the Board to establish and implement the Remuneration Policy and Procedures. This involves developing and overseeing fair and transparent processes for determining, reviewing, evaluating, and recommending remuneration packages for directors and key senior management.

The Board, in conjunction with the NRC, will consider factors such as qualifications, skills, competency, and experience of directors and key senior management. They will also assess the demands and complexities of the Company's businesses, the Company's performance, market competitiveness, and market benchmarks when determining remuneration. This approach ensures that remuneration aligns with individual performance and contribution, while also supporting the Company's strategic goals.

#### **1. Non-Executive Directors (including Independent Non-Executive Directors)**

Non-Executive Directors receive Directors' fees and meeting attendance allowances, with no distinction made between in-person participation and participation via video, teleconference, or other electronic modes.

Non-Executive Directors who serve as Chairman of the Board or Board Committees receive an extra allowance to compensate for the increased complexity and preparation required to fulfill these roles.

Remuneration for Non-Executive Directors is determined based on their experience and the level of responsibilities they assume.

The NRC conducts an annual review of Non-Executive Directors' remuneration packages. Directors abstain from discussions and voting on decisions concerning their own remuneration. Subsequently, the Board recommends payment of Directors' fees and other benefits to shareholders for approval at each Annual General Meeting of the Company.

## **2. Executive Directors and Key Senior Management**

The remuneration components for Executive Directors and Key Senior Management include Directors' fees, salaries, bonuses, benefits-in-kind, and other emoluments that may be determined periodically. These packages are designed to align rewards with both individual and corporate performance.

Executive Directors are prohibited from participating in any decision-making regarding their own remuneration. The concerned director must abstain from discussions and voting on their remuneration during Committee meetings, although they may attend at the invitation of the Chairman of the NRC if their presence is deemed necessary.

The Key Senior Management team comprises individuals who typically hold significant management responsibilities and decision-making authorities within the Group. This includes employees who are not directors and any other persons whom the Directors shall consider as being the Key Senior Management.

The performance of Executive Directors and Key Senior Management members, who report to the Chief Executive Officer (CEO), is assessed annually by the CEO against predetermined targets. This evaluation forms the basis for recommendations on their remuneration levels.

### **Review of this Policy**

The Board will periodically review this policy and its procedures to ensure their effectiveness. Any proposed revisions to this Policy will be presented to the Board for approval.