

# THETA EDGE BERHAD (Co No. 260002-W)

## REMUNERATION POLICY

### 1. INTRODUCTION

Practice 6.1 of the Malaysian Code on Corporate Governance 2017 recommends that the board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

This policy is to establish formal and transparent remuneration policies and procedures to attract and retain directors and senior management. Remuneration packages should reflect the board's and senior management responsibilities, expertise and complexity of the Company's activities and should be aligned with the business strategy and long-term objectives of the Company.

The Remuneration Policy ("the Policy") sets out remuneration principles and guidelines for Executive Directors ("EDs"), Non-Executive Directors ("NEDs") and Senior Managements ("SMs") of Theta Edge Berhad.

The Board establishes the Remuneration Committee (RC) to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board and Senior Management. The RC's Terms of Reference which deals with its authority and duties are disclosed on the Company's website [www.theta-edge.com](http://www.theta-edge.com)

### 2. OBJECTIVES

The primary objective of the Policy is to enable the Company to attract, recruit, develop and retain highly qualified, high performing, motivated and skilled Directors and Senior Management. The Policy provides remuneration that commensurate with the responsibilities of the respective positions whilst maintaining a sustainable balance between short term and long-term value creation, taking into account the interest of all stakeholders as well as Company's performance.

### 3. REMUNERATION COMPONENTS

#### (i) Executive Directors (“EDs”)

ED's remuneration shall be reflected in a Service or Employment contract.

##### Fixed Components

Base salary is determined on the basis of the job position, scope of duties and responsibilities, complexities of the business, strategic targets of the Company including market rate in the industry, comparable companies and market conditions.

##### Variable Components

Variable Components, if any, includes variable performance-linked bonus which is awarded based on achievement of targets or Key Performance Indicators set.

##### Other benefits & benefits in kind

If applicable may include, contribution to provident funds, retirement benefits, gratuities, leave passages, medical and hospitalization insurance, motor vehicle and other emoluments and benefits comparable to market.

ED's are not entitled to any Directors' fees or meeting fees. Remuneration payable to EDs may not include commission on or percentage of revenue / turnover.

#### (ii) Non-Executive Directors (“NEDs”)

The level of remuneration for NEDs shall reflect the experience and level of responsibilities undertaken by the NED concerned. The remuneration of an NED shall be on a fixed sum and not based on commission on or percentage of profits or revenue/turnover.

NEDs receive remuneration in the form of Directors' fees and meeting allowances as compensation for their services plus the reimbursement of expenses incurred, if any, in the course of performing their services.

The remuneration of NEDs are subject to the approval of shareholders at a general meeting.

**(iii) Senior Management (“SMs”)**

SM's remuneration is reflected in a Service or Employment contract.

Fixed Components

Base salary is determined on the basis of the job position, scope of duties and responsibilities, complexities of the business, strategic targets of the Company including market rate in the industry, comparable companies and market conditions.

Variable Components

Variable Components, if any, includes variable performance-linked bonus which is awarded based on achievement of targets or Key Performance Indicators set.

Other benefits & benefits in kind

If applicable may include, contribution to provident funds, retirement benefits, gratuities, leave passages, medical and hospitalization insurance, motor vehicle and other emoluments and benefits comparable to market.

**4. REVIEW & REVISIONS**

The RC reviews this Policy on a periodic basis to assess its effectiveness and relevancy, in line with current market practices and requirements. Any amendments or changes to this Policy shall be deliberated by the RC, and any recommendation for revisions shall be presented to the Board of Directors for approval.

**5. DISLOSURES**

This Policy shall be made available on the Company's website [www.theta-edge.com](http://www.theta-edge.com)

This Remuneration Policy is dated 13 March 2018.