



OMESTI BERHAD
[200001028094 (530701-T)]

**DIRECTOR REMUNERATION
POLICY**



Director Remuneration Policy

The Board of Directors of OMESTI BERHAD (the “Company” and/or “Omesti”) approves this Director Remuneration Policy (“the Policy”) in exercise of the powers granted thereto.

The Company desires to continue to focus on the ongoing improvement and full alignment of the Policy with the good governance recommendations generally recognised in the markets in the area of director remuneration, adjusting them to the specific needs and circumstances of the Company.

1.0 Purpose and Basic Principles

As regards Non-Executive Directors, the Policy seeks to ensure adequate remuneration in recognition of their dedication and the responsibility assumed, and in accordance with the remuneration paid on the market at companies of a similar size or carrying out similar activities, but without such remuneration jeopardising their independence, taking into account the long-term interest of all of the shareholders.

As far as Executive Directors are concerned, the guiding principle is to offer remuneration systems that make it possible to attract, retain, and motivate the most outstanding professionals in order to enable the Company and the Group to attain their strategic objectives within the increasingly competitive and internationalised context in which they operate. Accordingly, in connection with Executive Directors, the Policy seeks to:

- a) ensure that the remuneration, in terms of structure and total amount, is in line with best practices, as well as competitive vis-à-vis that of comparable entities at the domestic and international level, taking into account the situation of the regions in which the Group operates.
- b) establish the remuneration, in accordance with objective standards, based on the individual performance of the Executive Directors and on the achievement of the business objectives of the Company and the Group.
- c) include a significant annual variable component tied to performance and to the achievement of specific, pre-established, quantifiable objectives in line with the corporate interest and contemplated in the Company’s strategic plans. The foregoing should be understood to be without prejudice to the possibility of considering other objectives, especially in the area of corporate governance and corporate social responsibility.
- d) foster and encourage the attainment of the key objectives set out in the strategic plans through the inclusion of long-term incentives, strengthening continuity in the competitive development of the Group, of its Directors, and of its management team, and generating a motivating effect that acts as a driving force to ensure the loyalty and retention of the best professionals.
- e) Set appropriate maximum limits to any short-term or long-term variable remuneration, and establish suitable mechanisms to reconsider the implementation and payment of any deferred variable remuneration when a



reformulation occurs that has a negative effect on the Company's consolidated financial statements.

Without prejudice to all of the foregoing, the Policy shall be suitably adjusted to the prevailing economic situation.

2.0 Structure of Remuneration of Non-Executive Director for the Directors' Activity as Such

The remuneration to which Non-Executive Directors are entitled for serving as such is structured in accordance with the following standards:

a) Fixed Amount

Non-Executive Directors receive a fixed annual amount that is commensurate with market standards, in keeping with the positions they hold on the Board of Directors and in the committees on which they sit. Fees payable to Non-Executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

b) Attendance Fees

Non-Executive Directors are entitled to payment of certain amounts as attendance fees, whether for attendance at meetings of the Board of Directors or at meetings of the committees on which they sit, as well as meetings of the shareholders. The Non-Executive Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company.

c) Coverage of Risk Benefits

The Company pays the premiums under insurance policies that it has taken with certain insurance companies for the coverage of hospitalisation and surgical, the death or disability of directors caused by accidents. Furthermore, the Company pays the premiums under insurance policy providing directors and officers liability coverage against claims made for wrongful act deriving from holding the office of director.

d) Extra Remuneration

If any Non-Executive Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of profits or turnover) as may be determined by the Company in general meeting and such remuneration from time to time provided for the Directors.

3.0 Structure of Remuneration of Executive Directors for the Performance of Executive Duties

The remuneration that Executive Directors are entitled to receive for the performance of executive duties at the Company (i.e. other than the duties inherent in their status as members of the Board of Directors) is structured as follows:

a) Fixed Remuneration

This portion of the remuneration shall be in line with the remuneration paid in the market by companies with comparable capitalisation, size, ownership structure, and international scope.

Salaries payable to Executive Directors may not include a commission on or percentage of turnover.

b) Variable Remuneration

(i) Short-term Variable Remuneration:

A portion of the remuneration of Executive Directors is variable, in order to strengthen their commitment to the Company and to promote a better performance of their duties.

This variable remuneration shall be tied, for the most part, to the achievement of specific and pre-established objectives that are quantifiable and aligned with the corporate interest, and contemplated in the Company's strategic plans. Weight will also be given to goals in the area of corporate governance and corporate social responsibility, as well as the individual performance of the Executive Directors.

The Remuneration Committee will assess the achievement of objectives and individual performance. The Remuneration Committee may seek the advice of independent professionals. The proposal thereof shall be submitted to the Board of Directors for approval.

(ii) Medium-term and Long-term Variable Remuneration:

The Company also contemplates the implementation of incentive systems tied for the most part to the achievement of medium or long-term objectives in order to foster the retention and motivation of Executive Directors and the creation of value over the long term, based on specific and pre-established economic/financial, industrial, and operational objectives that are quantifiable and aligned with the strategic objectives pursued by the Company and the Group. Weight will also be given to goals in the area of corporate governance and corporate social responsibility, as well as the individual performance of the Executive Directors. The Remuneration Committee will assess the achievement of objectives and individual performance. The Remuneration Committee may seek the advice of



independent professionals. The proposal thereof shall be submitted to the Board of Directors for approval.

These systems may include the delivery of Company shares or options thereon or remuneration rights linked to the value thereof, when so resolved by the shareholders at a General Meeting at the proposal of the Board of Directors, after a report from the Remuneration Committee.

The timeframe to be used for guidance purposes in medium and long-term remuneration programmes shall be three years, and in the case of systems linked to shares of the Company, they shall be submitted to the shareholders at a General Meeting for approval as provided by law. Appropriate minimum holding periods may be established in respect of a portion of the shares received.

(iii) Neutrality:

Variable remuneration of any kind may not be based merely on the general performance of the markets, of the industry in which the Company operates, or on other similar circumstances.

c) Coverage and Risk Benefits

The Company pays the premiums under insurance policies that it has taken with certain insurance companies for the coverage of hospitalisation and surgical, the death or disability of directors caused by accidents. Furthermore, the Company pays the premiums under insurance policy providing directors and officers liability coverage against claims made for wrongful act deriving from holding the office of director.

d) Extra Remuneration

If any Executive Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of profits or turnover) as may be determined by the Company in general meeting and such remuneration from time to time provided for the Directors.