

ELK-DESA RESOURCES BERHAD

Directors and Senior Management

Remuneration Policy

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Policy

This Remuneration Policy for Directors and Senior Management of ELK-Desa Resources Berhad (“EDR” or “Company”) is designed in a way to support the strategies and long-term vision of EDR as well as provides adequate motivational incentive for Directors and Senior Management to pursue long-term growth and success of the Company.

Scope

This policy applies to Directors and Senior Management (C-Suite category executives) within EDR Group’s business operation.

Governance

The Board approves the Directors and Senior Management Remuneration Policy, including incentive programs (both long term and short term) and quantum of remuneration for the Directors and Senior Management.

The Remuneration Committee (“RC”) oversees the implementation of these policies. RC will review Directors and Senior Management remuneration once at each financial year to ensure these are appropriate to attract, motivate and retain, in line with market expectations.

Policy Details

Directors

General

1. The level of remuneration for the Directors shall be determined and recommended by the Remuneration Committee to the Board after giving due consideration all relevant factors including the annual performance assessment of the Board members, Directors fiduciary duties, time commitments expected of the Directors, Company’s performance, market conditions as well as the compensation level for comparable positions among other similar Malaysian public listed companies.
2. The overall remuneration system shall be in line with the business and risk strategies, corporate values and long-term interests of the Company.
3. The Directors shall be paid a fixed sum (and not by a commission on or percentage of profits or turnover of the Company) out of the funds of the Company.
4. The remuneration payable to Directors is determined by shareholders resolution in accordance with the Company’s Constitution and the applicable laws and shall not be increased except in pursuant to a resolution passed at a general meeting.
5. In determining the appropriate level of remuneration for directors and senior management, the board take into consideration the company’s performance in managing material sustainability risks and opportunities.

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1	Directors' Fee	<p>The quantum of Directors' Fee is reviewed annually by the RC, and subsequently proposed to the Board for further recommendation to the shareholders for approval.</p> <p>The Directors' Fee will be paid after approval from shareholders is given.</p>
2	Meeting Allowance	<p>The meeting allowance of the Non-Executive Directors is reviewed annually by the RC, and subsequently proposed to the Board for approval.</p> <p>Executive Director will not be entitled to the Meeting Allowance.</p> <p>Meeting Allowance will be paid immediately after each meeting.</p> <p>Directors shall not be entitled to any Meeting Allowance for attending general meetings.</p>
3	Remuneration and benefits of Executive Director and Senior Management	<p>The remuneration of Executive Director and Senior Management are reviewed annually by the RC, and subsequently proposed to the Board for further approval.</p> <p>The remuneration will consist of basic salary, bonus (discretionary), other benefits and allowances. It is set based on responsibilities, performance, qualifications, experience and geographic location.</p> <p>Base salary plus allowances and discretionary bonus, if any, will be paid , on completion of the relevant performance period.</p> <p>Company car may be provided.</p> <p>All expenses incurred in the discharge of his/her duties, including but not limited to travelling and entertainment expenses, will be reimbursed.</p>
4	Executive Director and Senior Management Service Contract ("Employment Contract")	<p>Executive Director and Senior Management will be required to enter into an individual employment agreement.</p> <p>The salient terms of the Employment Contract will be reviewed by RC. Pursuant to Section 232 of the Companies Act 2016 copies of the Employment Contracts of all Directors shall be made available for inspection at the registered office of the Company.</p>
5	Other benefits payable to Directors	<p>Approval from shareholders is required prior to the payment of other benefits payable to the Directors including compensation for loss of office other than exceptions set out in Section 227 (5) of the Companies Act, 2016.</p>

6	Proposal and Decision on fees and remuneration of Directors	<p>Each Director shall not involve in the discussion and decision pertaining their own remuneration and fees at the Board meetings.</p> <p>Board members who are also members of the RC shall not make recommendation in respect of their own fees and remuneration during the review.</p>
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Monitoring , Evaluation and Review

This policy must be reviewed annually from the date the policy was initially released or last reviewed.

References

Action	Date	Responsibility
RC reviewed and recommended to Board.	22- 02 -2018	RC
Board Approval	22-02-2018	RC
RC reviewed, updated and recommended to Board.	19-02-2019	RC
Board Approval	21-02-2019	RC
RC reviewed, updated and recommended to Board.	18-02-2020	RC
Board Approval	18-02-2020	RC
RC reviewed, updated and recommended to Board.	16-03-2021	RC
Board Approval	16-03-2021	RC
RC reviewed, updated and recommended to Board.	30-03-2022	RC
Board Approval	20-05-2022	RC
RC reviewed, updated and recommended to Board.	29-03-2023	RC
Board Approval	22-05-2023	RC