

MEMBERSHIP

RC shall be members of, and appointed by, the Board of Directors (Board or Directors), on the recommendation of the Nomination Committee. The number of members of RC shall be a minimum of 3 and be composed entirely of Non-Executive Directors (NEDs), a majority of whom, including the chairman, shall be independent.

RESPONSIBILITIES

RC shall, within the limits of the policy determined and powers delegated by the Board, be responsible for establishing a framework and process on individual Directors' remuneration and this process include, amongst others, conducting regular assessments of Group Chief Executive Officer (GCEO), Deputy GCEO (collectively, Executive Management) and senior executives to ensure that remuneration is directly related to corporate and individual performance; ensuring the level of remuneration commensurate with the skills, responsibility and time expected of a NED and is sufficient to attract and retain qualified and experienced NEDs; and performing benchmarking exercises from time to time on remuneration for both Executive Management and NEDs.

REVIEW

RC shall review annually its terms of reference (ToR) to ensure new facts and circumstances and evolving corporate governance issues are addressed and best practices are incorporated. Any amendment to the ToR must be approved by the Board.

The Remuneration Policies and Practices is enclosed as Appendix A.

This RC's ToR is current as at 26 February 2019.

REMUNERATION POLICIES AND PRACTICES

PURPOSE

The Remuneration Committee (RC) has oversight of IGB Berhad's (the Company) remuneration policies and practices, and is responsible for reviewing, recommending and/or approving the remuneration for Non-Executive Chairman, Independent Non-Executive Directors and Non-Independent Non-Executive Directors (collectively, NEDs), Group Chief Executive Officer and Executive Directors (collectively, Executive Board) and senior executives (collectively, Executive Team).

PRINCIPLES

The Company supports levels of remuneration and compensation necessary to attract, engage, retain and motivate high quality people required to effectively lead and manage the operations and growth of the Company, at a competitive cost. The Company considers that appropriate levels of remuneration and compensation are essential to enhance the long-term interests of the Company's stakeholders, including its shareholders.

The Company strives to ensure that remuneration packages reflect the relevant duties and responsibilities, are fair and equitable, and incorporate rewards clearly and measurably linked to performance both on an individual and on a corporate basis.

PERFORMANCE MEASURES

The Company recognises that its people are its human capital and one of its key assets. The professional growth and development of its people are central to achieving the Company's mission and strategy. With this in mind, remuneration levels for NEDs, Executive Board and Executive Team are reviewed each year through a structured and transparent assessment process. Factors that are judged by the Company to form the basis of the assessment are, amongst others, job profile, achievements, qualifications, expertise, performance of the Company as well as performance/contribution of the individual. To ensure the competitiveness of the Company's remuneration levels, the levels are benchmarked against a peer group of companies from related sectors of similar size and scope to the Company.

FORMS OF REMUNERATION

Summary of remuneration elements for Executive Board, Executive Team, Non-Executive Chairman and NEDs.

Element	Purpose and link to strategy	Operation	Performance metrics
Executive Board and Executive Team			
Base Salary	Recruit, reward and retain high calibre talent needed to execute and deliver on the Company's strategic objectives. Base salary reflects level, role, skills, experience, the competitive market and individual contribution.	Base salaries are reviewed annually taking into account of a variety of factors: general economic and market conditions; particular circumstances such as changes in the scope and responsibility of the role; salary levels for comparable roles at relevant comparators; and individual performance. The annual salary revision will be subject to the approval by RC. Executive Board and Executive Team have service contracts.	The performance of both the Company and the individual are key considerations when determining the appropriate level of base salary increase each year.
Allowances and Benefits	Reflect market level of benefits, as appropriate for individual circumstances.	Allowances and benefits comprise cash allowances and non-cash benefits through the parent company and inter alia include: travel-related benefits (company car, mileage reimbursement, car allowance and private use of a driver); health-related benefits (healthcare, health assessment and gym subsidy); and risk benefits (insurances such as directors and officers liability (D&O), personal accident, hospitalisation and surgical). Expenses incurred in the performance of duties for the Company will be reimbursed, such as travel expenses and training and development.	Competitive benefits as comparable to market practices and norm to attract best talent within the market.
Performance-based Bonus	Incentivise and recognise the achievement of annual financial and strategic business targets.	Performance measures and target setting taking into account: the annual budgets set by the Board; internal forecast; and prevailing economic environment.	The bonus is based on achievement of the Company's key quantitative financial, operational and strategic measures in the year.

Element	Purpose and link to strategy	Operation	Performance metrics
Non-Executive Chairman and NEDs			
Non-Executive Chairman and NEDs Fees	Attract and retain high calibre non-executive talent, with the appropriate experience or industry-related skills, by offering market competitive fee levels.	<ul style="list-style-type: none"> ▪ Non-Executive Chairman receives an all-inclusive annual retainer fee and sitting fees for attending meetings. ▪ NEDs receive an annual retainer fee for membership of the Board. ▪ Non-Executive Chairman and NEDs receive sitting fees for attending meetings of the Board and Board Committees. ▪ Fee levels are reviewed annually and determined by the full Board, taking into account the time commitment, responsibilities and other objective circumstances it deems relevant, and by reference to comparators. Fees and any benefits payable to be approved at a general meeting. ▪ Benefits such as D&O insurance, training and development and other incidental benefits linked to the performance of their duties as a Director. ▪ Non-Executive Chairman and NEDs do not have service contract. There is no notice period or entitlement to compensation on the termination of their directorships. 	Competitive retainer fee and sitting fees to attract best talent to the Board.