

<b>ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD</b>	<b>REMUNERATION POLICY</b>	
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## 1. INTRODUCTION

The Company has formulated a policy called "Remuneration Policy" ("this Policy") to ensure the payment of fair, transparent and competitive remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company which is based on individual performance, Company's benchmark, Industry practices and performance of the Company as a whole.

This Remuneration Policy is the guiding document for the Board of Directors ("Board"), Remuneration Committee ("RC") and Human Resource Department of Oriental Food Industries Holdings Berhad ("the Company" or "Organization") to administer the remuneration within its organization.

## 2. Scope and References

2.1 This Document should be read together with the relevant section, articles and/or clauses in the following legislations:

- (a) Companies Act 2016;
- (b) Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

2.2 Where there is a conflict between the contents of this Policy and the aforementioned legislations, the relevant sections, articles and/or clauses contained in the said Legislations shall prevail.

2.3 This Policy shall be reviewed periodically by the RC.

## 3. Objective and purpose of the Remuneration Policy

- (a) To determine remuneration based on the Company's business outlook, financial growth and trends and practices on remuneration prevailing in competitive compensation.
- (b) To align reward and recognition mechanism directly to the effort, performance, dedication and achievement relating to the Company's operations.
- (c) To attract, retain, motivate and promote talent and to ensure long term sustainability of talented staff and personnel and create competitive advantage.
- (d) To ensure compliances and maintain high standards to governance.

## 4. Remuneration paid to Executive Directors and Non-Executive Directors

- (a) The remuneration paid to Executive and Non-Executive Directors shall be recommended by the Remuneration Committee and to be approved by the Board of Directors, subject to the subsequent approval by the shareholders at the general meeting.

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- (b) The remuneration for Executive Directors shall be arrived by considering various factors such as experience, expertise, and prevailing remuneration in the industry, contributions and the financial position of the Company.
- (c) The Chairman of the Company would be paid Directors Fees, monthly allowance, claim and travelling allowance for attending meetings.
- (d) The Non-Executive and Independent Directors of the Company would be paid Directors Fees and travelling allowance for attending meetings.
- (e) The Board of Directors shall decide the actual amount to be paid to each Independent Director.

#### **5. Remuneration Policy for Senior Management, Personnel and Staff**

- (a) The compensation for the key managerial personnel, senior management and staffs will be guided by the external competitiveness and internal parity.
- (b) The remuneration structure is broadly divided into fixed and variable components.
  - (i) The fixed component comprises salary and allowances.
  - (ii) The variable component comprises annual performance of the individual employee and Company's performance as a whole.
- (c) The rating obtained in the Annual Appraisal will be used as an input to determine Variable and Merit Salary Increment.
- (d) Compensation can also be determined based on identified skill sets which are beneficial for the operations of the Company.
- (e) The remuneration for Senior Management, Personnel and Staff shall be decided by the Top Management.

#### **6. Disclosure of Remuneration**

- (a) Directors' remuneration shall be disclosed on a named and individual basis and by the exact amount, both at Company level and Group level. The remuneration breakdown shall amongst others include fees, salary, bonus and other benefits as the case may be in accordance with the requirements of paragraph 11, Appendix 9C of Listing Requirements and Practice 7.1 of MCGG.
- (b) The remuneration of the senior management will only be disclosed in bands as mentioned in Practice 7.2 of MCGG.
- (c) This Policy has been endorsed by the Board, upon recommendation by the RC.
- (d) This Policy shall be reviewed periodically or as and when it is necessary.
- (e) The RC, with the support of the Company Secretary, shall ensure that the provisions of this Policy continue to comply with the legal requirements and corporate governance requirements and, if necessary, shall suggest amendments to this Policy and Procedures for consideration by the Board.