

ANCOM LOGISTICS BERHAD (COMPANY NO.: 6614-W)
(Incorporated in Malaysia)

REMUNERATION POLICY

INTRODUCTION

The Board of Directors (“Board”) of Ancom Logistics Berhad (“Company”) recognises the importance of fair remuneration towards attracting and retaining talent.

This Remuneration Policy (“Policy”) has been drafted in accordance with the Malaysian Code on Corporate Governance 2017 (“MCCG”). It is intended to provide guidance for the Board and the Remuneration & Nomination Committee (“R&N Committee”) of the Board in determining the remuneration of individual Directors.

This Policy shall apply to the Company and its subsidiaries (“Group”), excluding the associate. This Policy does not cover the associate as the Board does not have control over the operations, management and internal control systems of this associate.

REMUNERATION OBJECTIVES

The remuneration practices of the Group should comply with the following objectives:

- (a) encourage behaviours that are in accordance with the Group’s core values;
- (b) be aligned with the business strategy and long-term objectives of the Group;
- (c) be based on clear, definable and measurable key performance indicators (“KPI”);
- (d) give due consideration towards context, to avoid penalising or unjustly rewarding performance due to external factors which are out of the individual’s control; and
- (e) be comparable to the market rate of remuneration.

REMUNERATION STRUCTURE

The main components that shall form the remuneration of Directors and Senior Management are set out below:-

Component	Description
Salary	Monthly payment to Executive Directors which forms basic remuneration
Bonus	Performance-based component that may be paid in the form of cash, shares or stock options, to reward Executive for exceeding their KPIs
Benefit-in-kind	Fringe benefits that are provided to Executive Directors as part of their employment, which may include use of Company vehicles, medical insurance and clothing allowance.
Fees	Fixed retainer payment to Non-Executive Directors for their service
Meeting allowance	Payment to Non-Executive Directors for each meeting that they attend during the financial year

Furthermore, expenses incurred by the Directors of the Group in the course of discharging their duties, which may include entertainment or travel expenses, shall be reimbursed by the Group. All expenses claims must be accompanied by a legible receipt and submitted before the end of each month to the Finance Department for processing.

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The Board may propose other components to form the remuneration of Directors which shall be subject to shareholders' approval.

Where Alternate Directors are appointed, any fee paid by the Company to the Alternate Directors shall be deducted from the Appointing Director's remuneration.

REMUNERATION PROCEDURES

According to its Terms of Reference, the R&N Committee is tasked with reviewing and recommending to the Board the remuneration packages for Directors.

In carrying out its duties, the R&N Committee takes into consideration the individual's responsibilities, contributions and performances, comparing actual KPIs against pre-assigned benchmarks to determine performance. The R&N Committee also considers market conditions during the financial period and evaluates the market rate for similar positions in comparable companies.

The evaluation of remuneration packages shall be conducted annually.

The R&N Committee may resort to external advice where necessary, at the Company's expense.

REPORTING AND MONITORING

The R&N Committee presents the findings of its evaluation to the Board and recommends remuneration packages for the Board's endorsement.

The Chairman and the Executive Vice Chairman do not participate in the Board's deliberation on their remuneration at the Board meeting.

It is the ultimate responsibility of the Board as a whole to decide the remuneration of the Directors. The Directors' fees would be submitted to the shareholders for approval at the Annual General Meeting ("AGM") of the Company. Directors who are shareholders abstain from voting at the AGM to approve their own remuneration.

DISCLOSURE

The Board will make appropriate disclosure in the Company's Annual Report of the remuneration of Directors in accordance with ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"). The remuneration breakdown of Directors includes fees, salary, bonus, benefits in-kind and other emoluments.

For confidentiality reasons, details of individual Directors' remuneration on named basis are not disclosed in the Annual Report as required under the MCCG. The Board is of the view that the transparency and accountability aspects of Corporate Governance as applicable to Directors' remuneration are appropriately served by the disclosures in aggregates with categorisation into appropriate components distinguishing between Executive and Non-Executive Directors in accordance with Listing Requirements. The Board will consider disclosing the remuneration of individual Directors as and when it is deemed appropriate.

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REVIEW OF POLICY

This Policy will be reviewed periodically, as and when appropriate, to reflect the current best practices.

The R&N Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

This Remuneration Policy was adopted by the Board of Directors on 25 July 2018.