

OVERSEA ENTERPRISE BERHAD (317155-U)
(Incorporated in Malaysia)

**DIRECTORS AND SENIOR MANAGEMENT'S REMUNERATION POLICY
AND PROCEDURE**

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1. INTRODUCTION

As a prominent group in the restaurant industry, Oversea Enterprise Berhad (“**OEB**” or “**the Company**”) has established a Director and Senior Management’s Remuneration Policy and Procedures to set out the criterias for remunerating its Director and/or Senior Management.

Practice 6.1 of the Malaysian Code on Corporate Governance (“**MCCG**”) stipulates that the Board should have policies and procedures to determine the remuneration of Directors and senior management, which takes into account the demands, complexities and performance of the Company as well as skills and experience required.

In addition, Guidance 6.1 of the MCCG stipulates that fair remuneration is critical to attract, retain and motivate Directors and senior management. The remuneration package should take into account the complexity of the Company’s business and the individual’s responsibilities. The remuneration should also be aligned with the business strategy and long-term objectives of the Company.

The Board should ensure that the remuneration and incentives for Independent Directors do not conflict with their obligation to bring objectivity and independent judgment on matters discussed at Board meetings.

2. OBJECTIVE

The Directors and Senior Management’s Remuneration Policy and Procedure (“**this Policy**”) is designed with the aim to support the Company and its subsidiaries (“**the Group**”)’s long term business strategies and create a strong performance-oriented environment. This policy shall adhere to the following key principles: -

- Determine the level of remuneration package of Directors and senior management;
- Attract, develop and retain high performing and motivated Directors and senior management with a competitive remuneration package;
- Provide a remuneration such that the Directors and senior management are paid a remuneration commensurate with the responsibilities of their position; and
- Encourage value creation for the Company and its stakeholders.

3. SCOPE

This policy applies to Executive Directors (“**EDs**”), Group Managing Director (“**Group MD**”), Non-Executive Directors (“**NEDs**”) and senior management of the Company.

4. REMUNERATION COMPONENTS

EDs and Group MD

The table below are the main components of the remuneration package for the EDs and Group MD:-

Category – Fixed/ Variable	Component	Description
Fixed	Base salary	A monthly fixed payment payable to the EDs

		and Group MD. The salary is determined according to:- <ul style="list-style-type: none"> • The scope of the duties and responsibilities; • The conditions and experiences required; • The ethical values, internal balances and strategic targets of the Group; • Corporate and individual performance; and • Current market rate within the industry and in comparable companies.
Fixed Component/ Variable Quantum	Bonus	The bonus in the case of EDs and Group MD is designed to reward outstanding performance. The bonus is granted to reflect the performance of ED and Group MD as well as Group results. A discretionary assessment is made to ensure that all factors which include measurable and not directly measurable are considered. An annual/half-yearly payment of up to a maximum of three (3) months of the monthly salary to attract and retain talents. The Group MD shall made the recommendation to the Remuneration Committee for review prior to escalating the same to the Board for approval.
Variable	Service charge	A monthly payment subject to the collection of the restaurant outlets for the involvement of the EDs in the daily operation of the restaurant outlets.
Variable	Reward	A yearly performance-based sum for the EDs for attaining or achieving targeted profit as determined by the Remuneration Committee.
Variable	Benefit-in-kind	The Group may provide competitive benefits to EDs and the Group MD, such as allowances, fully expensed motor vehicle, expenses incurred in the course of their duties as EDs/Group MD. A maximum package/quantum of RM30,000.00 per financial year to increase the economic security of the EDs and as incentive to retain talents.

NEDs

Non-Executive Directors receive remuneration in the form of Directors' fees and meeting allowance in the course of performing their services, as follow:-

Category – Fixed/ Variable	Component	Description
Fixed	Fees	A fixed retainer fee for NEDs for their ongoing contribution to the Board.
Fixed	Meeting allowance	A payment for NEDs on a per-meeting day basis of RM200.00 on a condition that attendance is a prerequisite for remittance.

The remuneration of the NEDs shall not be based on commission, percentage of profits, or turnover.

The remuneration of the NEDs are reviewed by the Remuneration Committee ("RC") annually. Based on recommendations from the RC, the Board shall review and recommend all NEDs' remunerations to shareholders for approval at a General Meetings.

The NEDs is not entitled to receive performance-based bonuses or participate in short-term and/or long-term incentive plans, except in pursuant to a resolution passed at a General Meeting by the shareholders.

The NEDs' remuneration is recommended by the Board as a whole and subject to shareholders' approval, with the individual NEDs abstaining from discussion and voting in respect of his own remuneration at Board level.

Senior Management

The table below are the main components of the remuneration package for the senior management:-

Category – Fixed/ Variable	Component	Description
Fixed	Base salary	The salary is determined according to:- <ul style="list-style-type: none"> • The scope of the duties and responsibilities; • The conditions and experiences required; • The ethical values, internal balances and strategic targets of the Group; • Corporate and individual performance; and • Current market rate within the industry and in comparable companies.
Variable	Bonus	The bonus in the case of senior management are designed to reward outstanding performance. The bonus is granted to reflect the performance of senior management as well as Group results. A discretionary assessment is made to ensure that all factors which include measurable and not directly measurable are considered.
Variable	Benefit-in-kind	Other benefits in the form of short-term and/or long-term incentive plans as determined by the Group MD.

5. MEASUREABLE OBJECTIVES

The RC shall conduct a review on an annual basis of the criteria to be used in recommending the remuneration packages for EDs, Group MD, NEDs and senior management and recommend them to the Board for adoption. The RC should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.

The Board is free to seek to improve one or more aspects of the remuneration packages and measure progress accordingly. On this, the Board may seek professional

advice from outside sources to assist the Board in formulating an attractive compensation and benefits package that aims to attract, retain and motivate talents.

6. REMUNERATION REVIEW AND APPROVAL PROCESS

The RC is responsible to review the remuneration package for the EDs, Group MD and NEDs and recommend to the Board for their consideration and adoption. The respective Directors shall abstain from deliberations and voting on decisions in respect of their own remuneration package. The Board will then recommend the Directors' fees and other benefit payable to the Directors on a yearly basis to the shareholders for approval at the Annual General Meeting of the Company in accordance with Section 230 (1) of the Companies Act, 2016.

The Group MD has been authorised to determine the remuneration package of the senior management and report to the RC, on a periodically/annual basis.

7. REVIEW OF POLICY

This policy is subject to review regularly by the Remuneration Committee as and when required and will be amended appropriately to ensure that it continues to remain relevant and appropriate. Any recommendation for revisions shall be highlighted to the Board for approval.

HISTORY

Date	Description
<to insert>	Establishment