

<b>ANCOM LOGISTICS BERHAD</b> [Registration No.: 196601000150 (6614-W)] (Incorporated in Malaysia)	Date of Statement :	10/08/2023
	Last reviewed and approved by the Remuneration & Nomination Committee :	11/09/2023
	Approved by the Board of Directors :	15/09/2023

## 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. 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 associates. It does not cover the associates as the Board does not have control over their operations, management or internal control systems.

### REMUNERATION OBJECTIVES

The remuneration practices of the Group fulfil 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 (“KPIs”);
- (d) Give due consideration to 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 of a Director’s remuneration are set out below:

Component	Description
Salary	Monthly payment to Executive Directors which forms part of their basic remuneration
Bonus	Performance-based component that may be paid in the form of cash, shares or stock options, to reward Executive Directors for exceeding their KPIs
Benefits-in-kind	Fringe benefits that are provided to Executive Directors as part of their employment, which may include Company vehicles, medical insurance and other allowances
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. All expenses claims must be accompanied by a legible receipt and submitted before the end of each month to the Finance Department for processing.

The Board may propose other components to form the Directors’ remuneration, 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 performance, 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 Executive Vice Chairman shall not participate in the Board's deliberation on his remuneration at the Board meeting.

It is the ultimate responsibility of the Board as a whole to decide the remuneration of the Directors. Fees for the Non-Executive Directors are submitted to the shareholders for approval at the Annual General Meeting ("AGM") of the Company. Directors who are shareholders shall 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. The remuneration breakdown of Directors includes fees, salary, bonus, benefits in-kind and other emoluments.

## **REVIEW OF POLICY**

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