

**PRG HOLDINGS BERHAD  
REMUNERATION COMMITTEE  
REMUNERATION POLICY**

**INTRODUCTION**

The Remuneration Policy is designed to ensure that the company attracts, retains, and motivates talented individuals who contribute to the company's success. This policy applies to all employees, including the Directors and Senior Management of the Company.

**OBJECTIVES**

The objectives of the Remuneration Policy are as below:

- to create a fair and transparent system of determining the appropriate level of remuneration for directors and senior management, and in line with the industry standards;
- to attract and retain talented individuals with the necessary skills and experience to drive the company's performance;
- to reward employees for their contributions to the company's success;
- to promote a culture of high performance and accountability;

PRG's remuneration policy is built upon the principles of providing equitable and market-competitive remuneration package that support the performance culture and enable the achievement of strategic business goals. The remuneration policy is, therefore, aiming at being competitive but not excessive.

**REMUNERATION STRUCTURE**

The following summarises the main components that shall form the remuneration packages of Directors and Employees of PRG:

**Executive Director's and Senior Management Remuneration**

The Remuneration Committee is responsible for recommending to the Board a remuneration framework and package for the Executive Directors and senior management that are considered necessary to attract, retain and motivate key personnel needed for the continual success of the Group. The policy remunerates directors and senior management for their responsibilities and contributions in leading and managing the Group's business operations. The remuneration package is structured to offer reward in tandem with the Group's and the individual's key performance indicators which includes non-financial and sustainability targets.

The remuneration awarded to the Executive Directors and senior management consists of salary, allowance, employers' statutory provident fund's contribution, bonus, incentive, share options and share grant incentive and other benefits accorded such as car allowance, drivers, insurance and medical and hospitalisation.

Each Executive Director will enter into a service contract with the Company, which clearly sets out the terms and conditions of the remuneration package for the director.

The Remuneration Committee must recommend for the Board's approval, all service contracts for Executive Directors.

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**Non-Executive Director's Remuneration**

The Company will remunerate Non-Executive Directors in a manner designed to attract and maintain high quality Board members.

Non-Executive Directors will receive fees for their service and are not entitled to any performance-based remuneration, bonus payments or retirement benefits.

The fees paid to the Non-Executive Directors are intended to reflect the scope of their work in the Board and their responsibilities related to serving on the Board. The fees are determined at a level intended to be consistent with the market level.

The remuneration of Non-Executive Directors must also be consistent with and supportive of maintaining the Non-Executive Director's independence.

**Employees' Remuneration Structure**

The remuneration package for employees will comprise the following components:

1. Base salary
2. Performance-based remuneration
3. Long-Term Incentives Plan
4. Benefits

**1. Base Salary**

Base salary constitutes the major elements of the remuneration package to attract and retain talented individuals in the competitive market. The base salary for employees will be competitive and based on factors such as job scope, experience, and market rates. The company will regularly review and benchmark salaries to ensure that they remain competitive.

**2. Performance-based Remuneration**

The performance-based remuneration is designed to reward employees for their individual and team contributions to the company's success which is measured against a number of pre-determined factors including both financial and non-financial factors such as PRG's financial and non-financial performance, strategic initiatives, sustainability targets, organisational development and market trends.

The performance-based remuneration may be in the form of annual bonuses, profit sharing, or other performance-related remuneration. It is awarded on a discretionary basis and is differentiated based on Company, Division, and individual performance rating.

**3. Long-Term Incentives Plan ("LTIP")**

PRG has established and implemented the Long-Term Incentives Plan which included Employee Share Options Scheme (ESOS) and Share Grant Plan. The company may offer the LTIP scheme to all eligible employees and eligible directors of the Company and its subsidiaries based on the By-Laws. The granting of these incentives will be subject to the

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approval of the company's board of directors and will be based on factors such as individual performance, company performance, and market conditions.

The purpose of the LTIP is to increase the employee motivation, morale and loyalty to the company. It also serves as a retention tool for key and high performing employees.

**4. Benefits**

The company will provide employees with benefits such as medical insurance and retirement benefits in accordance with local regulations and industry standards.

**REVIEW**

The Remuneration Committee is responsible for the monitoring, implementation and review of this policy. It will provide recommendations to the Board as to how to effectively structure and facilitate a remuneration strategy in order meet the needs of the Group.

The Board will be responsible for approving the remuneration strategy for directors and senior management. In determining whether to approve the relevant level of remuneration, the Board will consider the recommendations from the Remuneration Committee, prevailing market conditions, performance of the individual, the business strategies and objectives of the Group.

The Board will regularly review the Remuneration Policy and make any changes it determines necessary or desirable.

**CONCLUSION**

The remuneration policy is designed to attract, retain, and motivate talented individuals who contribute to the company's success. The policy is aligned with industry standards and promotes a culture of high performance and accountability. The company is committed to ensuring that remuneration practices are fair, transparent, and in the best interests of shareholders.

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