



(Company No. 809759-X)  
(Incorporated in Malaysia)

## **REMUNERATION FRAMEWORK OF DATASONIC GROUP BERHAD**

### **General Principles and Policies**

The Remuneration Framework is designed to increase the motivation level and productivity of the Group's employees and ensures that the salary levels are commensurate to the individual staff performance level.

As a general principle, the remuneration of Directors and Key Management Staff (i.e. Directors of the subsidiary companies, Chief Operating Officer and Heads of Departments) should be linked to their level of responsibilities and how well these responsibilities have been discharged by them.

The remuneration packages of Executive Directors are to be structured so as to link reward to corporate and individual performance to encourage high performance standard.

The fee for Non-Executive Directors should reflect the level of responsibility undertaken by them and their contribution to the effective functioning of the Board of Directors ("Board").

### **Job Descriptions/Job Scopes**

All Key Management Staff have job descriptions, which comprise the major elements required of the job, working relationship, level of authority and a list of key accountabilities. These are translated into their annual performance evaluation, which are aligned to the Company's vision and mission.

### **Core Competencies**

Besides the above performance evaluation, the Key Management Staff are also assessed on their core competencies. The core competencies comprises the following:-

- Management competencies and skills
- Leadership

Management competencies are competencies expected of the employee in his/her particular job, based on the current and/or future job roles projections. In respect of Key Management Staff, the level of expectation of the competencies they are to demonstrate would differ from that of lower levels of management.

Leadership is a desired attribute/trait required of Key Management Staff and would encompass the following:-

- Teambuilding
- Strategic Orientation
- Decision making
- Planning and Organising
- Impact and Influence
- Influencing and negotiation skills
- Evaluation and Problem Solving
- Initiative and Responsibility
- Delegation
- Human Relations and Interaction
- Oral and Written Communication
- Vitality and passion

### **Performance Evaluation**

The Performance Evaluation Form is used to track the achievement of the Key Management Staff and other staff on an annual basis.

The Managing Director will review and evaluate the performance of the Deputy Managing Director, Executive Directors and Key Management Staff.

The Executive Committee, Director of Human Resource and Chief Operating Officer will review and evaluate the performance of the other staff.

The Remuneration Committee will review and recommend the following:-

- The annual total remuneration packages of individual Executive Directors and Key Management Staff to ensure the levels of remuneration be sufficiently attractive and be able to retain the Executive Directors and Key Management Staff needed to run the Company successfully.
- To review and recommend the fees for Non-Executive Directors to the Board.

### **Remuneration Guideline**

The underlying principle is to reward employees who have performed well and have contributed to the overall profits, productivity, growth and sustainability of the organization. The compensation of employees is guided by a Bonus, Increment and Promotion (BIP) process, which is held annually.

- The Bonus Scheme is designed to achieve performance, future direction and growth, i.e. quality performance, sustainable growth and value creation. It is meant to inculcate financial management excellence as well as to reward employees based on value added contributions. The bonus formulae set out in the Bonus Scheme aim to establish the bonus pool. Payment of bonus out of the pool shall be based on the assessment of the Performance Evaluation Form.
- Senior management staff are also remunerated through increment. Their increment rate is based on the performance and profitability of the Group as well as the market practices.
- Senior management staff who are given new and additional scope of responsibilities may also be promoted, i.e. upgraded to a higher executive grading.

The following guidelines are used in determining the quantum of bonus and increment:-

- Financial results of the Company
- Performance Evaluation Form
- Contribution towards value creation and sustainability
- Cost containment, e.g. cost-to-income ratio
- Bonus pool formula established by the management
- Market and industry practices on remuneration