



Reg. No.: 199801011581 (467709-M)

SENIOR MANAGEMENT REMUNERATION POLICY

(as at 22 February 2023)

PHARMANIAGA BERHAD SENIOR MANAGEMENT REMUNERATION POLICY

1 Introduction

- 1.1 The Senior Management Remuneration Policy (“the Policy”) sets out the criteria to be used in recommending the remuneration package of Senior Management of Pharmaniaga Berhad (“the Company”) and is in line with the best practice provisions of applicable regulations.
- 1.2 The purpose of the Policy is to:
- i) Attract, develop, retain and reward high performing and motivated Senior Management with a competitive remuneration package;
 - ii) Provide a remuneration package to the Senior Management and ensure that they are paid a remuneration commensurate with the responsibilities of their positions, reflecting their contributions and achievement;
 - iii) Ensure that performance measures and targets are aligned with the Company’s strategy and shareholder’s interest; and
 - iv) Ensure that the remuneration packages remain competitive with the relevant industry and market via periodical review and assessment.
- 1.3 The remuneration of the Key Senior Management will be determined taken into consideration the following criteria:
- Scope of duty, responsibilities, skills and experience required
 - Company’s budgets and strategic targets
 - Corporate and individual performance
 - Achievement of annual KPIs (both qualitative and quantitative KPIs)
 - Prevailing industry/market practice and industry/market benchmark
 - General economic situation

2 Remuneration Policy and Procedures

2.1 Key Senior Management

- i) The remuneration components of key senior management shall consist of basic salary, performance-based bonus, benefits-in-kind and other incentives (where applicable).
- ii) The remuneration of key senior management is determined at a level which enables the Company to attract, develop and retain high performing and talented individual with the relevant experience, level of expertise, level of responsibilities and is structured so as to link reward to individual and corporate performance.

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- iii) Key senior management shall refer to those individual(s) who generally holds the highest level of management responsibility and decision-making authority within the Group which typically include the C-suites employees (who are not directors) and any other persons whom the Directors shall consider as being the key senior management.

3 Oversight of Remuneration

- 3.1 The Nominating and Remuneration Committee shall assist the Board in implementing the policies and procedures on remuneration including but not limited to benchmarking the Company's remuneration package based on industry and current market rate.
- 3.2 The Nominating and Remuneration Committee shall administer fair and transparent procedures to ensure that remuneration packages are determined based on the criteria set out herein.
- 3.3 In considering the remuneration package, the Nominating and Remuneration Committee may also enlist the expertise of external advisors, where necessary.

4 Periodic Review and Disclosure

- 4.1 This Policy has been endorsed by the Board, upon recommendation by the Nominating and Remuneration Committee.
- 4.2 The Nominating and Remuneration Committee shall conduct a periodic review of this policy as appropriate to align with the current market practices and requirements of the regulators. If necessary, the Nominating and Remuneration Committee shall suggest amendments to this policy for consideration by the Board.
- 4.3 The Board shall disclose this policy on the Company's website.