

GENETEC TECHNOLOGY BERHAD
(COMPANY NO. 445537-W)

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

Introduction

This policy is designed with the aim to support the Company's key strategies and create a strong performance-orientated environment, and be able to attract, motivate and retain directors and senior management.

For Executive Directors (ED) and Senior Management (SM)

In the case of EDs and SM, the component parts of remuneration shall be structured so as to link rewards to corporate and individual performance. Fixed remuneration for EDs including Managing Director and SM is determined based on the following:-

- The scope of the duty and responsibility;
- The conditions and experiences required;
- The ethical values, internal balances and strategic targets of the Company;
- The corporate and individual performance; and
- Current market rate within the industry and in comparable companies.

The remuneration package of EDs and SM comprises of basic salary, monetary incentives and fringe benefits.

(a) Salaries

Salaries for EDs and SM consist of both fixed (i.e. base salary) and variable (performance-based and retention incentive) remuneration components.

(b) Performance-based incentives

Bonus is given at a discretionary manner involving assessment is made to ensure that all factors include measureable and not directly measurable are considered.

Performance Incentive payments are to reward individual EDs and SM for outstanding performance business contributions, and in meeting with established key performance indicators (KPI) and/or set a level sufficient to provide EDs and SM with the motivation to achieve operational targets.

(c) Retention incentives

Long Term Incentive Plan comprises of Employees' Share Option Scheme (ESOS), if any, which is designed to link EDs and SM reward with KPIs that drive sustainable growth in shareholder value over the long term.

(d) Other Benefits (Non-Cash Benefits or Benefits-In-Kind)

The Company may provide competitive benefits to EDs and SM, such as a fully expensed car, fuel expenses, medical insurance and personal accident insurance. Allowances relating to business expenses (i.e. entertainment and travel) incurred are reimbursed.

The remuneration package of EDs and SM will be reviewed by the Remuneration Committee ("RC") and recommended to the Board for approval. The remuneration package of individual SM will be determined by the respective MD.

For Non-Executive Directors (NED)

In the case of NED, the level of remuneration shall be linked to their experience and the level of responsibilities undertaken.

Fixed fees for NEDs is determined based on the following:-

- On par with the rest of the market;
- Reflect the qualifications and contribution required in view of the Group's complexity; and
- The extent of the duty and responsibilities;

NEDs receive remuneration in the form of Directors' fees and benefits payable (include meeting allowance, motor vehicle and petrol, compensation for loss of employment of a director or former director, if any) as compensation for their service plus the reimbursement of expenses incurred, if any, in the course of performing their services.

The remuneration of NEDs shall not be based on commission or percentage of profits or turnover and NEDs are not entitled to receive performance-based bonuses.

The Directors' fees and benefit payable, if any, for NEDs are reviewed by the RC and Board annually. Based on the recommendations from the RC, the Board shall submit any adjustments in Directors' fees and benefit payable to a general meeting for approval by shareholders.

Review of Remuneration

The RC reviews annually the remuneration of the Directors and Senior Management of the Company and submits recommendations to the Board on specific adjustments in remuneration and/or reward payments that reflect their respective contributions for the year, and which are competitive and are in tandem with the Company's corporate objectives, culture and strategy.

The RC may from time to time to seek independent advice on remuneration of Directors.

Disclosure

Disclosure of Directors and Senior Management shall be made in the Corporate Governance Overview Statement of the Annual Reports. Such report shall include details of the Directors and Senior Management remuneration in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code of Corporate Governance.

This Policy is made available on the Company's website in accordance with Malaysian Code of Corporate Governance.

Review of Policy

This Policy is to be reviewed by the RC on a periodic basis and any requirement for amendment shall be deliberated and any recommendation for revisions shall be presented to the Board for approval.

This Policy has been reviewed and approved by the Board of Directors for adoption with effect from 28 February 2018.