



REDTONE DIGITAL BERHAD (formerly known as REDTONE INTERNATIONAL BERHAD)

REMUNERATION POLICY AND PROCEDURES

1.0 Objectives & Guiding Principles

1.1 The Group's Remuneration Policy is designed to meet the following objectives:-

- To attract, motivate, retain and reward Directors and key senior management who will manage and drive the Company's success.
- It is the Company's interest that this remuneration policy shall fairly support the Directors and key senior management in carrying out their responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value.

1.2 The Remuneration Policy is guided by the following key principles:-

- Performance measures and targets to be aligned with the Company's corporate strategy and shareholders' interest.
- Remuneration and rewards shall be granted based on the achievement of the Key Performance Indicator (KPI) and subject to the Company's overall performance and affordability.
- To ensure total remuneration packages remain competitive with the relevant market and industry via periodic or appropriate market benchmarking exercises.

2.0 Remuneration Policy & Procedures

Remuneration Committee and the Board shall develop and agree on the remuneration policy and procedures, including the fee structure and level of remuneration for Executive Directors, Non-Executive Directors and senior management.

2.1 Executive Directors

- (a) The remuneration components of Executive Directors shall consist of basic salary, performance based bonus, benefits-in-kind and other incentives (where applicable). The remuneration package for Executive Director is structured so as to link reward to individual and corporate performance.
- (b) The remuneration of Directors is determined at levels which enables the Company to attract and retain Executive Directors with the relevant experience and expertise to manage the business of the Group effectively. Executive Directors who are full time employees of the Group shall receive no additional compensation for services as a Director.

- (c) The Executive Directors concerned shall not participate in the decision of their own remuneration but may attend the Committee meetings at the invitation of the Chairman of the Remuneration Committee, if their presence is required.

2.2 Non-Executive Directors

- (a) Non- Executive Directors receive remuneration in the form of Directors' fees, benefits-in-kind and other emoluments as compensation for their services plus the reimbursement of expenses incurred, if any, in the course of performing their services. Additional allowance is payable for acting as Chairman of the Board / Board Committees to reflect the complexity and amount of preparation required in attending the meeting.
- (b) The level of remuneration for Non-Executive Directors shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. The remuneration of a Non-Executive Director shall not be based on commission, the percentage of profits, or turnover.
- (c) The remuneration packages of Non-Executive Directors who serve on the Board and Board Committees are reviewed by the Remuneration Committee annually and thereafter recommend to the Board for their consideration with the Director concerned abstaining from deliberations and voting on decision in respect of his/her individual remuneration package. The Board will then recommend the payment of the Directors' fees and other benefits payable to Non-Executive Directors to the shareholders for approval at each Annual General Meeting of the Company in accordance with Section 230 (1) of the Companies Act, 2016.

2.3 Key Senior Management

- (a) The remuneration components of key senior management shall consist of basic salary, performance based bonus, benefits-in-kind and other incentives (where applicable). 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.
- (b) Key senior management team shall refer to those individual(s) who generally holds the highest level of management responsibility and decision making authority within the Group. This will 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.

3.0 Procedures

3.1 The Board together with the Remuneration Committee shall:

- (a) take into consideration factors such as qualifications, skills, competency and experience of the directors and senior management, the demands and complexities of the Company's businesses, performance of the Company, market

competitiveness and market benchmark in deciding the remuneration of directors and senior management so that the remuneration is commensurate with individual performance and contribution keeping in mind that variable compensation payments shall not be finalised over short periods when risks are realised over long periods.

- (b) take into account factors such as the directors' contributions, effort and time spent, attendance at meetings and the frequency of meetings, the respective responsibilities of the directors including the board committees on which they serve and market practices in determining the remuneration of non-executive directors.
- (c) link certain components of the remuneration to rewards with regard to corporate and individual performance based on appropriate and meaningful performance measures set by the Company.
- (d) review the remuneration levels for directors and senior management annually.
- (e) consider specific adjustments and/or reward payment, if any, reflecting individual contributions and performance for the year and which are competitive and consistent with the Company's culture and strategic objectives.
- (f) regularly review the Remuneration Policy and Procedures to ensure that it remains aligned with the Company's business needs and corporate objectives and is appropriately positioned relative to the market.

3.2 The final authority and responsibility for implementing the Company's remuneration policy and approval of remuneration package rest with the Board.

3.3 Directors' fees and any benefits proposed by the Board to be payable to the directors each year are subject to the shareholders' approval at the Company's Annual General Meeting.

3.4 The Board will periodically review the Remuneration Policy and Procedures to ensure its effectiveness.

Reviewed, approved and adopted by the Board on 23 July 2018.