

REMUNERATION POLICY FOR DIRECTORS AND KEY SENIOR MANAGEMENT	Revision No.	1
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REMUNERATION COMMITTEE

REMUNERATION POLICY FOR DIRECTORS AND KEY SENIOR MANAGEMENT

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A. INTRODUCTION

In line with the recommendation of the Malaysian Code on Corporate Governance (“**CG Code**”) Gamuda Berhad (“**Gamuda**” or “**Company**”) has established a remuneration policy (“**Remuneration Policy**”) for the Group Managing Director/Deputy Group Managing Director/Executive Directors (collectively “**EDs**”), Non-Executive Directors (including Independent Directors) (“**Non-EDs**”) and Key Senior Management (as defined in the Terms of Reference of the Remuneration Committee) of Gamuda to support and drive business strategy and long term objectives of the Company and its subsidiaries. (“**Gamuda Group**”).

The Remuneration Committee operates under the delegation of the Board of Directors (“**Board**”) to provide an oversight of Gamuda’s remuneration and compensation plans on behalf of the latter in accordance with the Remuneration Policy.

This Remuneration Policy shall be read together with the Terms of Reference of the Remuneration Committee.

The Remuneration Policy is approved by the Board on the recommendation by the Remuneration Committee.

B. OBJECTIVES

1. The objective of the Remuneration Policy is to determine the fair, appropriate and competitive level of remuneration packages of the EDs, Non-EDs and Key Senior Management with the aim to –
 - attract and retain experienced and highly qualified EDs and Key Senior Management with the right calibre and credentials to drive the business, strategy, objectives, values and long term interests of Gamuda Group
 - provide a remuneration package such that the EDs, Non-EDs and Key Senior Management are paid a remuneration which commensurate with, and reflects their level of responsibilities, accountability, risks and experiences; and
 - encourage value creation for Gamuda and its stakeholders.
2. The responsibilities for developing and implementing the Remuneration Policy and in reviewing the remuneration of EDs, Non-EDs and Key Senior Management lie with the Remuneration Committee with the assistance of the Human Resource Department of the Company. Nevertheless, it is the ultimate responsibility of the Board to approve the remuneration of the EDs, Non-EDs and Key Senior Management.

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C. REMUNERATION GUIDELINES

1. Group Managing Director/ Deputy Group Managing Director/ Executive Directors (collectively “EDs”)

The remuneration of the EDs is made up of basic salaries, performance-based bonus, benefits-in-kind and other incentives (where applicable) and are set according to: -

- the demands, complexities of activities and performance of the Gamuda Group;
- the nature of the job of the individual EDs;
- the level of skills, expertise, experience and scope of responsibilities of the individual EDs;
- the individual ED’s key performance indicators (“KPI”);
- the individual ED’s overall contribution to the Group’s strategy and operation;
- industry benchmarks against companies in similar industry and size;
- the risk environment in which the Company operates in, so as to ensure the remuneration does not encourage excessive risk-taking; and
- Environmental, Social, and Governance (“ESG”) ownership i.e. understanding of ESG, participation in webinars or training and engagement in ESG activities.

In formulating the remuneration levels which includes benefits-in-kind, annual increment and performance-based bonus, the Remuneration Committee must consider the assessment of the performance of the EDs against such KPI as well as benchmarking to market rate.

The performance measures are derived from a mixture of financial and strategic measures, as follows: -

- Financial measures may include profitability of the Company; and
- Strategic measures may include but not limited to competitive performance metrics such as enhancement of shareholder value/market share.

Remuneration of the EDs shall be structured to link rewards to corporate and individual performance and shall take into consideration remuneration paid to directors of other similar companies, whether in size and/or industry, the individual’s performance and responsibility, market competitiveness as well as Gamuda’s overall performance.

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2. Non-Executive Directors (includes Independent Directors) (“Non-EDs”)

The remuneration of the Non-EDs consists of fixed annual directors’ fees and meeting allowances. In addition, Non-EDs also receive other benefits-in-kind including but not limited to telecommunication facilities, car parking and other reimbursable/claimable benefits-in-kind as may be determined from time to time, for the purposes of carrying out their duties as Non-EDs.

In relation to the remuneration of Non-EDs, the Remuneration Committee is guided by the following:

- a suitable balance of fees between annual Board and Board Committee fees and meeting allowances with the responsibilities undertaken by the Non-EDs. The principle is to ensure recognition of workload and responsibilities for the Non-EDs who sit on various Board Committees, ensuring a balance is struck between compensating for time spent, frequency of meetings and also as a reflection of the continued responsibilities for all Non-EDs;
- the remuneration should not conflict with the Non-EDs’ obligation to bring objectivity and independent judgment;
- provisions of Clause 116 of the Constitution of the Company; and
- all remuneration to be paid/payable to the Non-EDs must be tabled to the shareholders of Gamuda for approval pursuant to the provision of the Companies Act 2016.

3. Key Senior Management

The remuneration of the Key Senior Management is made up of basic salaries, performance based bonus, benefits-in-kind and other incentives (where applicable) and are set according to:-

- the nature of the job;
- the level of skills, experience and scope of responsibilities of the individual;
- the individual’s KPI;
- the individual’s overall contribution to the Company’s strategy and operation;
- market and industry’s rate; and
- ESG ownership i.e. understanding of ESG, participation in webinars or training and engagement in ESG activities.

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The remuneration for Key Senior Management shall be structured to align rewards with both corporate and individual performance. It shall also be benchmarked against remuneration practices in companies in similar industry, size, the individual performance and responsibilities, market competitiveness, and Gamuda's overall performance.

D. REMUNERATION APPROVAL PROCESS

1. On a yearly basis, the Remuneration Committee shall review and recommend to the Board the remuneration packages of EDs and Key Senior Management and it is the responsibility of the Board as a whole to approve the remuneration packages.
2. No Director shall participate or vote on the deliberations and decisions concerning his or her own remuneration.
3. EDs and Key Senior Management :
 - 3.1 EDs and Key Senior Management who report to the Group Managing Director are evaluated annually by the Group Managing Director premised on annual measurements and targets set.
 - 3.2 Thereafter, the Group Managing Director recommends the remuneration levels for EDs and the Key Senior Management to the Remuneration Committee for approval.
 - 3.3 In considering the Group Managing Director's recommendation, the Remuneration Committee shall have regard to the remuneration strategy and plans of Gamuda, compares the strategy and plans with community and industry standards and, where necessary, verifies the appropriateness of the strategy and plans by reference to external information and advice.
4. Non-EDs :
 - 4.1 The Remuneration Committee undertakes a robust review of the remuneration packages of the Non-EDs at least once in every three (3) years or such other shorter intervals as may be appropriate and thereafter makes its recommendation to the Board.
 - 4.2 In conducting the 3 yearly reviews (or such intervals the Remuneration Committee deems it appropriate and if necessary, the Remuneration Committee may engage the services of an independent professional advisor.
 - 4.3. All remuneration to be paid/payable to the Non-EDs must be tabled to the shareholders of Gamuda for approval at every annual general meeting of Gamuda pursuant to the provision of the Companies Act 2016.

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E. REVIEW OF POLICY

The Remuneration Policy shall be reviewed by the Board periodically, at least once every three (3) years, or at shorter intervals as deemed appropriate or necessary.

This Policy was first approved by the Board of Directors for adoption with effect from 27 June 2018.

The revised Policy (Rev.1) has been approved by the Board for adoption with effect from 20 May 2025.