

## MEMBERSHIP

- (a) RC shall be members of, and appointed by, the Board of Directors (**Board or Directors**) of IGB REIT Management Sdn Bhd (**the Manager of IGB REIT**), on the recommendation of the Nomination Committee. The number of members of RC shall be a minimum of 3, and be composed entirely of NEDs, a majority of whom, including the chairman, must be independent.
- (b) The appointment of a RC member terminates when the member ceases to be a Director, or as determined by the Board.

## RESPONSIBILITIES

RC shall be responsible for establishing, reviewing, and recommending to the Board the policy framework on terms of employment and on all elements of the remuneration of the Managing Director and Executive Directors (**collectively, Executive Board**) as well as Chief Executive Officer and senior executives (**collectively, Executive Team**) and the remuneration framework for Non-Executive Directors' annual fees and meeting allowances; and reviewing and approving the annual performance bonus and merit increase of Executive Board and Executive Team.

## REVIEW

RC shall review annually its terms of reference (**ToR**) to ensure new facts and circumstances and evolving corporate governance issues are addressed and best practices are incorporated. Any amendment to the ToR must be approved by the Board.

The Remuneration Policies and Practices is enclosed as **Appendix I**.

This RC's ToR is last reviewed and updated on 25 October 2018.

## REMUNERATION POLICIES AND PRACTICES (RPP)

### GOVERNANCE

The Remuneration Committee (RC) has oversight of IGB REIT Management Sdn Bhd's (Company) RPP, and is responsible for reviewing, recommending and/or approving the remuneration for Non-Executive Directors (NEDs), Managing Director and Executive Directors (collectively, Executive Board) and Chief Executive Officer and senior executives (collectively, Executive Team).

### PRINCIPLES

The Company supports levels of remuneration and compensation necessary to attract, engage, retain and motivate high quality people required to effectively lead and manage the operations and growth of the Company, at a competitive cost. The Company considers that appropriate levels of remuneration and compensation are essential to enhance the long-term interests of the Company's stakeholders, including its shareholders.

The Company strives to ensure that remuneration packages reflect the relevant duties and responsibilities, are fair and equitable, and incorporate rewards clearly and measurably linked to performance both on an individual and on a corporate basis.

More specifically, the RPP has been designed to meet the following principles and objectives:

- (a) To recruit, motivate, reward and retain talent and profile desired by the Company.
- (b) To set remuneration package at a competitive level by benchmarking to the market and providing incentives geared to agreed performance outcomes, where appropriate.
- (c) To align to the business strategy and achievement of business goals.

### PERFORMANCE MEASURES

The Company recognises that its people are its human resources and one of its key assets. The professional growth and development of its people are central to achieving the Company's mission and strategy. With this in mind, remuneration levels for NEDs, Executive Board and Executive Team are reviewed each year through a structured and transparent assessment process. Factors that are judged by the Company to form the basis of the assessment are, amongst others, job profile, achievements, qualifications, expertise, performance of the Company as well as performance/contribution of the individual. To ensure the competitiveness of the Company's remuneration levels, the levels are benchmarked against a peer group of companies from related sectors of similar size and scope to the Company.

### FORMS OF REMUNERATION

Summary of remuneration elements for Executive Board, Executive Team, Board Chairman and NEDs.

Element	Purpose and link to strategy	Operation	Performance metrics
<b>Executive Board and Executive Team</b>			
Base Salary	Recruit, reward and retain high calibre talent needed to execute and deliver on the Company's strategic objectives.  Base salary reflects level, role, skills, experience, the competitive market and individual contribution.	Base salaries are reviewed annually taking into account of a variety of factors: general economic and market conditions; particular circumstances such as changes in the scope and responsibility of the role; salary levels for comparable roles at relevant comparators; and individual performance. The annual salary revision will be subject to the approval by RC.  Executive Board and Executive Team have service contracts.	The performance of both the Company and the individual are key considerations when determining the appropriate level of base salary increase each year.
Allowances and Benefits	Reflect market level of benefits, as appropriate for individual circumstances.	Allowances and benefits comprise cash allowances and non-cash benefits through the parent company and inter alia include: travel-related benefits (company car, car allowance and private use of a driver); health-related benefits (healthcare, health assessment and gym subsidy); and risk benefits (insurances such as directors and officers liability (D&O), personal accident, hospitalisation and surgical).  Expenses incurred in the performance of duties for the Company will be reimbursed, such as travel expenses and training and development.	None.

Element	Purpose and link to strategy	Operation	Performance metrics
<b>Executive Board and Executive Team</b>			
Performance-based Bonus	Incentivise and recognise the achievement of annual financial and strategic business targets.	Performance measures and target setting taking into account: the annual budgets set by the Board of Directors ( <b>Board</b> ); internal forecast; and prevailing economic environment.	The bonus is based on achievement of the Company's key quantitative financial, operational and strategic measures in the year.
<b>Board Chairman and NEDs</b>			
Board Chairman and NEDs Fees	Attract and retain high calibre non-executive talent, with the appropriate experience or industry-related skills, by offering market competitive fee levels.	<ul style="list-style-type: none"> <li>▪ Board Chairman receives an all-inclusive annual retainer fee.</li> <li>▪ NEDs receive an annual retainer fee for membership of the Board.</li> <li>▪ Board Chairman and NEDs receive sitting fees for attending meetings of the Board and Board Committees.</li> <li>▪ Fee levels are reviewed annually and determined by the full Board, taking into account the time commitment, responsibilities and other objective circumstances it deems relevant, and by reference to comparators. Fees and any benefits payable to be approved at a general meeting.</li> <li>▪ Benefits such as D&amp;O insurance, training and development and other incidental benefits linked to the performance of their duties as a Director.</li> <li>▪ Board Chairman and NEDs do not have service contract. There is no notice period or entitlement to compensation on the termination of their directorships.</li> </ul>	None.

#### APPLICATION

This RPP is last reviewed and updated on 25 October 2018