

PADINI HOLDINGS BERHAD BOARD REMUNERATION POLICY

Introduction

Padini Holdings Berhad (“the Company”) has established formal and transparent remuneration policies and review process to attract, retain and motivate directors, support and drive business strategy and long term objectives of the Company and its subsidiaries (“Group”) and that reflects the Board’s responsibilities, expertise and complexity of the Group’s objectives.

The Board Remuneration Policy (“Policy”) sets out to provide remuneration principles and guidelines for all Executive Directors (“EDs”) and Non-Executive Directors (“NEDs”).

Objectives

The Policy has been designed to :-

- (a) determine the level of remuneration package in the current economic situation
- (b) attract, develop and retain high performing and motivated directors
- (c) provide remuneration to directors that commensurate with their skills and responsibilities and is competitive with relevant market and industry practice
- (d) align the incentive plans and performance measures against targets for Directors with the long term interest of the shareholders.

Directors’ Remuneration

The Policy is reviewed periodically by the Board through the Nomination and Remuneration Committee (“NRC”) of the Company and recommends the same to the Board for adoption.

The Board may seek professional advice to assist the Board in formulating an attractive compensation and benefits package to ensure the same remain competitive, appropriate and is in alignment with prevailing market practices and that the Group attracts, retains and motivates the Directors who are with strong credentials, high caliber and astute insights to run the business successfully.

The remuneration of EDs is set by the Board based on the recommendation from the NRC, whereas, the remuneration of NEDs also operates on the same basis, except that it requires shareholders’ approval.

Each director shall abstain from deliberations and voting on decisions in respect of his/her individual remuneration.

Executive Directors’ Remuneration

The remuneration package is reflective of the individual Director’s scope of duties, experience and level of responsibilities and it is structured to link to corporate and individual performance. Each ED’s remuneration is made up of fixed salary and performance-based incentive components. The remuneration levels of all EDs are structured to enable the Company to attract and retain qualified and experienced executive board members.

EDs are entitled to receive those benefits available to all employees of the Group. The said benefits include group insurance coverage, medical benefits, motor vehicle related benefits and annual leave.

Non-Executive Directors' Remuneration

Remuneration in the form of directors' fees that reflect the experience and level of responsibilities undertaken by each NED are paid quarterly. For NEDs who are chairman or members of the board committees, meeting attendance allowance is paid for each Board Committee meeting attended.

Remuneration practice is consistent with recognised best practice standards for NEDs' remuneration and, as a Malaysian-listed company, the level and structure of NEDs' remuneration will primarily be compared against Malaysia's best practice.

The annual directors' fees payable to NEDs and meeting attendance allowance are presented to the shareholders at the Annual General Meeting for their approval. The remuneration is not based on commission, percentage of profit or turnover.

Review of Policy

The NRC shall periodically review and assess for effectiveness the continued relevance of the Policy and where appropriate recommends to the Board for consideration and approval any amendments to reflect the current best practices.