



HEINEKEN MALAYSIA BERHAD

Company no. 196401000020 (5350-X)

REMUNERATION POLICY

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1. Overview

This policy sets out the remuneration principles and procedures of Heineken Malaysia Berhad (“the Company”). It is designed with the key objectives of attracting and retaining experienced, qualified and high calibre members of the Board of Directors (the “Board”) and also the right calibre of employees to drive the business strategy, objectives, values and long-term interests of the Company.

This Policy falls under the purview of the Nomination & Remuneration Committee (“NRC”).

2. Principles

In determining and recommending to the Board, the remuneration to be paid to the Non-Executive Directors and the employees of the Company and its subsidiaries (“the Group”), the NRC is guided by the following principles:

- (a) Remuneration should reflect performance, complexity and responsibility with a view to attracting, motivating and retaining high performance individuals and promoting the enhancement of the Company’s value to its shareholders.
- (b) Remuneration practices are benchmarked against external market data through the use of remuneration surveys to ensure staff are fairly remunerated.
- (c) The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

3. Remuneration for Non-Executive Directors

The remuneration for the Non-Executive Directors of the Company is based on a standard fixed fee with the Chairman of the Board and the Board Committees receiving additional allowance for additional responsibilities and commitment required. An additional fee is also paid to Non-Executive Directors sitting on Board Committees.

A meeting allowance is paid for attendance at meetings of the Board and Board Committees.

Below is an overview of the remuneration package for the Non-Executive Directors approved by the Company’s shareholders on 25 November 2015:

Remuneration for Non-Executive Directors		RM
Annual fee	Non-Executive Director	75,000
	Audit & Risk Management Committee (“ARMC”) member	5,000
	NRC member	4,000
Annual allowance	Board Chairman	100,000
	ARMC Chairman	8,000
	NRC Chairman	6,000
Meeting attendance allowance	All Non-Executive Directors	1,200 per meeting attended

A company car and a petrol card are provided for the use of the Board Chairman only.

Payment of remuneration to the Non-Executive Directors shall be made in arrears on a quarterly basis.

3. Remuneration for Non-Executive Directors (Continued)

The Directors shall be entitled to be reimbursed for all travelling and other expenses as may be incurred in and about the business of the Company in the course of their performance of duties as Directors of the Company.

The NRC is responsible to review the remuneration package for the Non-Executive Directors to ensure the same is appropriately reflective of experience and the level of responsibilities and contributions; and competitive compared with the prevalent market practices. Periodic benchmarking of remuneration will be undertaken to ascertain the competitiveness of the Company's remuneration package vis-à-vis other companies.

Any changes to the remuneration package shall be presented to the Board for approval. The determination of remuneration packages of non-executive directors, including non-executive chairman should be a matter for the Board as a whole; and all directors should abstain from discussion of their own remuneration.

The fees and any benefits payable to the Non-Executive Directors shall be subject to annual shareholders' approval at the Company's general meeting. Directors who are shareholders shall also abstain from voting at general meetings of the Company to approve their own fees.

4. Remuneration for Management Team

The remuneration of the Management Team including the Managing Director is guided by the HEINEKEN Global Senior Management Reward Policy. Their remuneration package consists of both fixed and performance-linked elements. Salaries payable to the Managing Director shall not include a commission on or percentage of the Group turnover. The performance of the Managing Director is reviewed annually taking into consideration the corporate and individual performance.

The Managing Director is not entitled to annual fee nor any meeting allowances for the Board and Board Committees Meetings he attended.

5. Review

The NRC shall review this policy periodically and recommend to the Board on any changes required for its approval.

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