

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

1. Objective

The objective of this remuneration policy is to establish a fair and structured framework that will attract, retain and reward directors of high caliber by offering a competitive remuneration package. The remuneration structure is designed to ensure alignment with shareholders' interest in driving the Company's long-term objectives.

2. Remuneration Structure

The Remuneration Committee is responsible to determine the directors, both executive and non-executive's remuneration package, which takes into account the demands and performance of the Company, as well as skills and experience required.

2.1 Remuneration for the Executive Director(s)

The Executive Director is responsible for the implementation of the objectives, goals and operational matters of the Company and its long term business development and growth. The Executive Director's remuneration is in accordance with the employment contract which is recommended by the Remuneration Committee for the Board's approval.

The remuneration package for the Executive Director(s) comprises the following:-

- Fixed monthly salary based on the job position and responsibility;
- Variable performance payment based on Corporate Scorecard;
- Employment benefits as stated in the Company's Employee's Handbook; and
- Severance payment, where applicable.

The fixed monthly salary is subject for review on a financial year basis, if applicable. In determining the quantum of increase, following factors are to be considered:-

- the scope of responsibilities;
- the general salary increases awarded across the Group; and
- the market data for company of similar size and capitalisation within the industry.

The Corporate Scorecard consists of financial and non-financial targets that are approved by the Board at the beginning of each financial year. The exact measures and weightage will be determined according to the Company's strategic priorities.

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Once the Board approves the Company's financial results, the Director of Human Resources & Administration shall submit a proposal to the Remuneration Committee on incentive bonus payment to the Executive Director(s). Upon the Remuneration Committee's review, deliberation and consideration, the Remuneration Committee shall thereafter submit the proposal to the Board for its approval.

2.2 Remuneration for the Non-Executive Director(s)

Apart from ensuring the Board practices good governance in discharging its duties and responsibilities, the Remuneration Committee is also tasked to review the remuneration for the Non-Executive Directors' remuneration to reflect the increased responsibilities, time commitment and regulatory requirements placed on them

The remuneration of Non-Executive Director(s) shall consist of the following:-

- Fixed annual director's fee;
- Meeting allowance;
- Other benefits-in-kind such as allowance for medical and hospitalisation insurance, personal accident coverage, and Directors' and Officers' Liability Insurance;
- Travelling allowance applicable for out-station or overseas trips; and
- Shares or warrants, if any.

The payment of directors' fees and meeting allowances together with other benefits accorded to the Non-Executive Directors are subject to shareholders' approval at the annual general meeting.

The Committee will review the remuneration of Non-Executive Directors from time to time to ensure that the remuneration package remains competitive in order to attract and retain competent directors. The reviews are conducted based on directors' remuneration disclosure in the annual reports of other companies of similar industry and or data based on directors' remuneration survey released by HR consulting companies.



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2.3 Remuneration for the Senior Management

Senior management in this context refers to the Chief Operating Officer(s) and Chief Financial Officer. The remuneration structure for senior management is aimed to attract, motivate and retain talent in order to enhance value creation within the Company, and contribute to aligning the interest of management and shareholders.

The total remuneration should reflect the current market rate and shall be at par with other senior management in comparable position within the industry. In general, the fixed remuneration for senior management consists of basic salary and fixed allowance, commensurate with the role and position of the individual staff, responsibilities, experience and qualifications. As for bonus entitlement, the Company has established a performance management framework which consists of personal key performance indicators (KPIs) to measure an individual's achievement, and taking into consideration of Company's overall performance.

A bonus pool matrix is set at the beginning of the financial year as a guideline for base recommendation for bonus payment to staff. Bonus matrix are tied to financial targets and non-financial targets approved by the Board at the beginning of each financial year.

Besides the above, the senior management are also entitled to the benefits in-kind, leave passage and retirement benefits in accordance to the Company's Employee Handbook.

3. General

This policy shall be reviewed by the Board periodically and may be amended as appropriate to reflect the current best practices.