

**REMUNERATION POLICY FOR
DIRECTORS AND SENIOR MANAGEMENT**

1. Introduction

This Policy sets out the criteria to be used in recommending the remuneration package of Directors and/or Senior Management of Salcon Berhad (“Salcon” or the “Company”) and is in line with the best practice provisions of the Malaysian Code on Corporate Governance.

2. Objectives

This Policy is designed to attract and retain the right talent in the Board and Senior Management with a competitive remuneration package to manage and drive the Company’s long-term objectives successfully.

3. Non-Executive Directors

- (i) Non-Executive Directors receive remuneration in the form of Directors’ fees and meeting attendance allowance.
- (ii) The level of remuneration for Non-Executive Directors shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. The remuneration of a Non-Executive Director shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (iii) The Board as a whole will decide the remuneration of the Non-Executive Directors based on the recommendation of the Remuneration Committee. The annual evaluation of the Non-Executive Directors is reviewed by the Nomination Committee. The Non-Executive Director concerned shall abstain from deliberating and voting in respect of his individual remuneration.
- (iv) The payment of Directors’ fees and other benefits to Non-Executive Directors are subject to the approval of shareholders at a General Meeting based upon a proposal of the Board (as recommended by the Remuneration Committee).

4. Executive Directors

- (i) The remuneration of Executive Directors is determined at levels that enable the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Company and its subsidiaries (“Group”) effectively and objectively.

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- (ii) The remuneration components of Executive Directors shall consist of basic salary, bonus, allowances, benefits-in-kind and other incentives (where applicable). The remuneration package for Executive Director is structured so as to link reward to individual and Group's performance.
- (iii) The Executive Directors concerned shall not participate in the discussion to decide on their own remuneration but may attend the Remuneration Committee meetings at the invitation of the Chairman of the Remuneration Committee, if their presence is required.

5. Senior Management

- (i) The remuneration components of Senior Management shall consist of basic salary, bonus, allowances, benefits-in-kind and other incentives (where applicable). The remuneration of senior management is determined at a level which enables the Company to attract, develop and retain high performing and talented individual with the relevant experience, level of expertise, level of responsibilities and is structured so as to link reward to individual and Company performance.
- (ii) Senior Management includes Chief Executive Officer, Chief Financial Officer, Chief Operating Officer of the Company or those personnel with similar levels of authority (who are not directors of the Company) or any other persons whom the Directors shall consider as being the senior management.

6. Remuneration Policy and Procedures

- (i) The remuneration for the Executive Directors and/or Senior Management are to be reviewed by the Remuneration Committee and recommend to the Board for approval.
- (ii) Senior Management who reports to the Chief Executive Director or Executive Directors are evaluated by the Chief Executive Director or Executive Directors premised on annual measurements and targets set. Thereafter, the Chief Executive Director or Executive Directors recommend the remuneration of Senior Management to the Remuneration Committee for consideration and subsequent recommendation to the Board for approval.

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7. Periodic Review and Disclosure

- (i) The Remuneration Committee should review this policy periodically to align with the current market practices and relevant regulations imposed by authorities. Any amendments of this policy shall be recommended to the Board for consideration and approval.

- (ii) The Remuneration Policy is available at Company's website at www.salcon.com.my.