

## **CHOO BEE METAL INDUSTRIES BERHAD**

### **REMUNERATION POLICY FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT**

#### **1. INTRODUCTION**

This remuneration policy for members of the Board of Directors and Senior Management of the company reflects the interests of the shareholders and the company, taking into consideration any specific matters, including the assignments and the responsibility undertaken. In addition, the remuneration policy helps promote long term goals for safeguarding the company's interests.

#### **2. BOARD REMUNERATION**

2.1 Remuneration is determined with regards to the company's needs to maintain appropriately experienced and qualified Board members in accordance with competitive pressures of the marketplace.

2.2 The remuneration policy is designed based on the following principles:

- a) to attract and retain Directors.
- b) to motivate Directors to achieve Company's business objective.
- c) to align the interests of the Directors with the long term interest of the shareholders.

2.3 Members of the Board receives a fixed fees, which are approved at the Annual General Meeting and is stated in the annual report. In addition to the fixed fee, Chairman's of the respective Board Committees as well as Non-Executive Directors are also paid Chairman and meeting allowances respectively for every Board and Board Committee attendance. Such allowances are approved at the Annual General Meeting and is stated in the annual report.

2.4 The Directors fees and allowances must not place an inappropriate burden on the company's finances.

#### **3. REVIEW OF BOARDS' REMUNERATION**

3.1 The Remuneration Committee may seek independent advice on remuneration of Directors and make recommendations to members in relation to any increase in total fees.

3.2 The remuneration of the Directors are reviewed every 2 years by the Remuneration Committee. In conducting the review, apart from the Management's input, the assistance of an independent professional advice can be sought to provide the Remuneration Committee with the latest development and up to date information in respect of the remuneration of Directors.

3.3 All approved reviews are tabled to the shareholders at Annual General Meeting for approval.

#### **4. SENIOR MANAGEMENT REMUNERATION**

4.1 The Board of Directors believes that a combination of fixed and performance-based pay to the Senior Management helps ensure that the company can attract and retain key employees. Senior Management are employed under employment contracts, and the Board of Directors together with the Management sets the terms within the frames of the contracts.

4.2 The Remuneration Committee will deliberate with the Management with regards to the appointment of a new Senior Management to the company concerning their remuneration and ensures that the remuneration is in line with the conditions in comparable companies or are at market rates.

4.3 Senior Management receives a competitive remuneration package consisting of the following components:

- Fixed salary (based on market levels)
- Annual Bonus (based on individual performance as well as the Groups' performance)
- Benefits-in-kind, e.g. company car, medical & hospitalisation insurance, etc.

#### **5.0 REVIEW OF SENIOR MANAGEMENT'S REMUNERATION**

5.1 The remuneration of the Senior Management are reviewed annually by the Remuneration Committee, with inputs and feedback from the Management. The Remuneration Committee ensures that the remuneration given to the Senior Management are fair and commensurate to their level of contributions and are appropriate to attract, retain and motivate them.

#### **6. REVIEW OF POLICY**

6.1 This policy is reviewed by the Board as and when needed and will be amended as appropriate to reflect the current best practices.