

# ALCOM GROUP BERHAD

(Company No. 1261259-V)

## DIRECTORS' REMUNERATION POLICY

### 1. Introduction

1.1 This policy sets out the criteria to be used in recommending the remuneration package of the Directors and Directors holding executive office or position.

### 2. Objectives

2.1 This policy is designed with the aim to support the key strategies of Alcom Group Berhad ("AGB" or "the Company") and create a strong performance-oriented environment, and be able to attract, develop and retain talent. This Policy shall adhere to the following key principles:

- Total remuneration shall be set at levels that are competitive with the relevant prevailing market practice and industry taking into consideration the overall performance of the Company and its subsidiaries, and the general economic situation.
- The level of remuneration package for Directors and Directors holding executive office or position (including but not limited to Managing Director ("MD"), President, Chief Operating Officer ("COO"), Chief Executive Officer ("CEO")) shall be performance based.
- Encourage value creation for the Company and its stakeholders.

### 3. Remuneration Components

#### 3.1 Remuneration for Directors holding an executive office or position

3.1.1 The remuneration is made up of fixed salary, annual bonus and fringe benefits.

3.1.2 The fixed salary is determined according to:

- The scope of the duties, responsibilities and accountability;
- The level of skills and experiences;
- The ethical values, internal balances and strategic targets of the Company;
- The corporate and individual performance; and
- Current market rate within the industry and in comparable companies.

and shall not include a commission on or percentage of turnover [Paragraph 7.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR")].

3.1.2 Bonus - The bonus is designed to reward outstanding performance. The bonus is granted to reflect the performance of the Director holding an executive office or position as well as the Group's results. A discretionary assessment is made to ensure that all factors which include qualitative and quantitative targets are considered.

#### 3.2 Remuneration for Non-Executive Directors

3.2.1 The Non-Executive Directors' remuneration comprises fixed annual fee and meeting attendance allowance.

3.2.2 The annual fee payable shall be by a fixed sum determined according to:

- Current market rate within the industry and in comparable companies;
- Reflect the qualifications and contribution required in view of the Group's complexity; and
- The extent of the duties and responsibilities.

and shall not be by a commission on or percentage of profits of profits or turnover [Paragraph 7.23 of the MMLR].

3.2.3 Meeting attendance allowance is paid in respect of attendance at Board of Directors and Committee meetings.

### 3.3 Other Benefits and Allowances

3.3.1 The benefits and allowances which should be decided by the Board as a whole include:

- Meeting allowance; and
- Reimbursable/claimable expenses incurred in the course of their duties as Directors.

## 4. **Approval of remuneration**

4.1 The fees of the Directors, and any benefits payable to the Directors including any compensation for loss of employment of a Director or former Director of the Company and its subsidiaries shall be approved at a general meeting. [Section 230(1) of the Companies Act 2016 and Paragraph 7.24 of the MMLR].

4.2 The remuneration of the Directors holding an executive office or position is approved by the Board, as a whole, with the individual Director holding an executive office or position abstaining from discussion of his own remuneration.

## 5. **Periodic Review and Disclosure**

5.1 The Remuneration Committee shall conduct periodic review of the criteria to be used in the recommending the remuneration package for Directors and the Directors holding an executive office or position. The Remuneration Committee should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.

## 6. **Board Review**

6.1 The Board shall, from time to time and at any time that it deems necessary, review this Policy to ensure that it continues to remain relevant and appropriate.