1. INTRODUCTION

The Nomination and Remuneration Committee ("the Committee") of Sunway Construction Group Berhad ("Company") is responsible to ensure that Directors and Senior Management are fairly remunerated for their responsibilities and contributions to the Company’s overall performance and the levels of remuneration should be sufficient to attract and retain Directors and Senior Management of high caliber. The objective of this policy is to outline the principles for the Committee to determine and propose an appropriate level of remuneration for the Directors and Senior Management.

2. EXECUTIVE DIRECTOR(S) AND SENIOR MANAGEMENT REMUNERATION STRUCTURE

2.1. Fixed components

Fixed monthly salary for Executive Director(s) and Senior Management are set according to:

- Job nature of the position including responsibility, complexity
- Level of skills and experiences
- Other market conditions

2.2. Variable components

Performance-based remuneration e.g. short term incentive - bonus, long term incentive – share options, if any are determined based on:

- Individual performance indicators
- Individual overall contribution to the business

Goals and performance expectation are set beginning of the year and will be reviewed mid and end of the year. The Company adopts pay-for-performance philosophy. There is a transparent performance-linked rewards framework in place.

2.3. Benefits components

Common benefits e.g. annual leave, Employee Provident Fund (EPF), medical and life insurance, staff purchase discounts, perquisites e.g. company car / car allowance, club subscription, driver.
2.4. **Non-Executive Director**

The remuneration for Non-Executive Directors should reflect the Board’s responsibilities, expertise and complexity of the Company’s activities. The remuneration of Non-Executive Directors shall consist of fixed Directors’ fee and Board Committees’ fee per annum and meeting allowances for every Board or Board Committees’ meeting attended. Their remuneration are reviewed annually with reference to the companies of similar industries or scale by the Committee and the Board. The fees of the Directors and benefits payable to the Directors are subjected to the Company’s shareholders’ approval.

3. **BENCHMARKING AND ANNUAL REVIEW**

As a good practice, the Company participates in total rewards surveys exercises organized by the consulting companies every year. The data or results released by the consulting companies will then be used as the data sources for benchmarking exercises. The benchmarking exercises are conducted to assess the Company’s competitiveness level in the market.

For Executive Director(s) or Senior Management level, the Company uses a bonus framework developed by a credible consulting company as a guideline for base recommendation. On top of this, the Company refers to the annual report disclosure of the companies in similar industries or scale, e.g. financial, conglomerate, as another sources to get the benchmarking information.

Taking into consideration of the Company’s overall performance, benchmarking information from annual reports, supported by a structured bonus framework, the Committee can then review and make informed decision on the remuneration package of individual Director or Senior Management.