

**CYPARK RESOURCES BERHAD**  
**("CRB" or "the Company")**  
(Company No. 642994-H)  
(Incorporated in Malaysia)

**POLICIES AND PROCEDURES TO DETERMINE THE REMUNERATION  
OF DIRECTORS AND SENIOR MANAGEMENT**

**1. Introduction**

Practice 6.1 of the Malaysian Code on Corporate Governance ("**MCCG**") stipulates that the Board should have policies and procedures to determine the remuneration of Directors and senior management, which takes into account the demands, complexities and performance of the Company as well as skills and experience required.

In addition, Guidance 6.1 of the MCCG stipulates that fair remuneration is critical to attract, retain and motivate Directors and senior management. The remuneration package should take into account the complexity of the Company's business and the individual's responsibilities. The remuneration should also be aligned with the business strategy and long-term objectives of the Company.

The Board should also ensure that the remuneration and incentives for Independent Directors do not conflict with their obligation to bring objectivity and independent judgment on matters discussed at Board meetings.

The Board should establish a Remuneration Committee to implement the Policies and Procedures to Determine the Remuneration of Directors and Senior Management ("**the Policy**").

**2. Remuneration Components**

**2.1 For Executive Director ("ED")**

The remuneration of ED is made up of salary, bonus and fringe benefits.

**2.1.1 Salary**

The salary is determined according to:-

- The scope of the duties and responsibilities;
- The conditions and experiences required;
- The ethical values, internal balances and strategic targets of the Group;
- Corporate and individual performance; and
- Current market rate within the industry and in comparable companies.

**2.1.2 Bonus**

The bonus is granted to reflect the ED's performance as well as Group results. A discretionary assessment is made to ensure that all factors which include measurable and not directly measurable are considered.

**2.1.3 Other benefits**

The Company may provide competitive benefits to ED, such as allowances, a fully expensed car or cash alternative in lieu of car,

company driver, fuel expenses, group hospitalisation insurance, private medical insurance, life insurance, and any other short-term and/or long-term incentive plans.

The Executive Director concerned plays no part in the decision of his own remuneration but may attend the Committee meetings at the invitation of the Chairman of the Remuneration Committee, if his presence is required.

## **2.2 For Non-Executive Director ("NED")**

The remuneration of NED is made up of Directors' fees and other benefits such as meeting allowances. The level of remuneration for NED shall reflect the experience and level of responsibilities undertaken by the NED concerned. The remuneration of an NED shall not be based on commission, percentage of profits, or turnover.

The NED receives remuneration in the form of Directors' fees and other benefits such as meeting allowances (collectively, known as "**emoluments**") as compensation for their services plus the reimbursement of expenses incurred, if any, in the course of performing their services.

The emoluments of the NED are reviewed by the Remuneration Committee ("**RC**") annually. Based on recommendations from the RC, the Board shall review and recommend all NEDs' emoluments to shareholders for approval at a General Meeting.

The NED is not entitled to receive performance-based bonuses or participate in short-term and/or long-term incentive plans, except in pursuant to a resolution passed at a General Meeting.

The NED's emolument is recommended by the Board as a whole and subject to shareholders' approval, with the individual NED abstaining from discussion and voting in respect of his own remuneration at Board level.

## **2.3 For senior management**

The remuneration of senior management is made up of salary, bonus, allowance and other benefits in the form of short-term and/or long-term incentive plans as determined by the Group Chief Executive Officer.

## **3. Measureable objectives**

The RC shall conduct a review on an annual basis of the criteria to be used in recommending the remuneration packages for ED and NED and recommend them to the Board for adoption. The RC should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.

The Board is free to seek to improve one or more aspects of the remuneration packages and measure progress accordingly. On this, the Board may seek professional advice from outside sources to assist the Board in formulating an attractive compensation and benefits package that aims to attract, retain and motivate talents.

## **4. Monitoring and disclosure**

Disclosure of Directors' remuneration shall be made in the Company's annual report. Such report shall include details of the Directors' remuneration in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad and the MCGG.

**5. Review of the Policy**

The RC will review regularly and assess the effectiveness of the Policy. Any requirement for amendment shall be deliberated by the RC and any recommendation for revisions shall be highlighted to the Board for approval.

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