



KIMLUN CORPORATION BERHAD

Registration No. 200901023978 (867077-X)

REMUNERATION POLICY FOR DIRECTORS AND KEY SENIOR MANAGEMENT

INTRODUCTION

The Remuneration Committee (“the RC”) of the Company is responsible to ensure that Directors and key senior management (“KSM”) are fairly remunerated for their responsibilities and contributions to the Company’s and its subsidiaries’ (collectively “the Group”) overall performance. It is in the interest of the Group that the levels of remuneration should be sufficient to attract, reward, retain and motivate Directors and KSM who will manage and drive the Group’s success, steer the Group to achieve its long-term goals and enhance shareholders’ value.

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 KSM.

The Remuneration Policy is guided by the following key principles: -

- Performance measures and targets to be aligned with the Company’s corporate strategy and shareholders’ interest.
- Remuneration and rewards shall be granted based on the performance of the Directors and the Group’s overall performance.
- To ensure total remuneration packages remain competitive with the relevant market and industry conditions via an annual market benchmarking exercise.

REMUNERATION POLICY & PROCEDURES

The responsibilities for developing and implementing the Remuneration Policy and in reviewing the remuneration of the Directors and KSM lie with the RC.

Executive Directors and KSM

The remuneration package for Executive Directors and KSMs comprises of basic salary, allowances (where applicable), performance-based bonuses and benefit-in-kind. The benefit-in-kind include company car, petrol allowance and club subscription.

The level of remuneration of the Executive Directors and KSMs takes into consideration the Directors’ and KSMs’ experience, responsibilities, qualifications, level of skills, contribution and commitment to the Group and the performance of the Group. The remuneration package is also compared to the compensation levels for comparable positions among other similar Malaysian public listed companies

that are in the construction industry and prevailing economic and market conditions. Executive Directors who are full time employees of the Group receive no additional compensation for services as a Director.

Non-Executive Directors

In the case of Non-Executive Directors, the level of remuneration should reflect the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned. Non-Executive Directors will be paid a fixed basic fee as ordinary remuneration, a sum based on their responsibilities in Board committees and allowances for their attendances at the meetings. The quantum of Non-Executive Directors' remuneration shall not be based on commission, percentage of profits and/or turnover of the Group.

The fee and allowance to the Non-Executive Directors are subject to the approval of the shareholders.

Benchmarking and Annual Review

On an annual basis, the RC considers market competitiveness, the compensation levels for comparable positions among other similar Malaysian public listed companies, business results and individual performance in evaluating the Executive Directors' and KSMs' remuneration. The RC will then recommend to the Board, the remuneration package for the Executive Directors and KSMs. The Board, as a whole, will determine the level of remuneration paid to its Executive Directors and KSMs, taking into consideration the recommendation of the RC.

On an annual basis, the RC considers the compensation levels for comparable positions among other similar Malaysian public listed companies and individual performance in evaluating the Non-Executive Directors' remuneration. The RC will then recommend to the Board for their consideration, the remuneration package for the Non-Executive Directors. The Board will then recommend the payment of the Directors' fees and other benefits payable to Non-Executive Directors to the shareholders for approval at each Annual General Meeting of the Company in accordance with Section 230 (1) of the Companies Act, 2016.

No Board member, whether executive or non-executive, will be involved in deciding his own remuneration.

REVIEW OF THIS POLICY

This policy is subject to regular review by the Remuneration Committee and will be amended as appropriate to align with the current market practices and requirements of the Malaysian Code on Corporate Governance and any other new requirements. Amendment to this policy must be tabled to the Board for approval.