

**FURNIWEB INDUSTRIAL PRODUCTS BERHAD**  
**REMUNERATION COMMITTEE**  
**DIRECTORS REMUNERATION POLICY**

**OVERVIEW**

A transparent, fair and reasonable process for determining the appropriate remuneration for directors is required to ensure that shareholders remain informed and confident in the management of the Group. The Group also understands the importance of attracting and maintaining high quality individual directors.

The Remuneration Committee was formed by the Board with specific terms of reference and empowered by the Board:

- To recommend to the Board the framework of executive remuneration and its cost, and the remuneration package for each Executive Director.
- To reimburse reasonable expenses incurred by the directors in the course of their duties as directors.
- To review and determine the bonus scheme for the Executive Directors depending on various performance measurements of the Group.
- To review and determine the benefits-in-kind for the Executive Directors.
- To review the Executive Directors' service contracts.
- To review the fees paid to directors.

**OBJECTIVE**

The objectives of this policy are:

- To create a transparent system of determining the appropriate level of remuneration for directors.
- To encourage directors to perform to their highest level.
- To align the performance of the business with the performance of Executive Directors.
- To ensure remuneration paid to directors are comparable to rates paid in comparable companies, especially those in the same or similar industries.

The policy details the types of remuneration offered by the Group and factors to be considered by the Board and Remuneration Committee in determining the appropriate remuneration strategy.

## **REVIEW AND APPRAISAL**

The Remuneration Committee is responsible for the monitoring, implementation and review of this policy. The Remuneration Committee will provide recommendations to the Board as to how to effectively structure and facilitate a remuneration strategy, which will meet the needs of the Group.

The Board will be responsible for approving the remuneration strategy for directors. In determining whether to approve the relevant level of remuneration, the Board will consider the recommendations from the Remuneration Committee, prevailing market conditions, performance of the individual and the business strategies and objectives of the Group.

## **SERVICE CONTRACT**

Each Executive Director will enter into a service contract with the Company clearly setting out the terms and conditions of the remuneration package for that person. The contract will set out the expectations for the performance of the role and the key performance indicators, measures and criteria for assessment.

The Remuneration Committee must recommend for the Board's approval, all service contracts for Executive Directors.

## **FORMS OF REMUNERATION**

With the assistance of the Remuneration Committee, the Board will approve the forms of remuneration to be offered to directors, which may include:

### Executive Directors

#### **1. Fixed Remuneration**

The Board in consultation with the Remuneration Committee, will from time to time determine the fixed remuneration level for each Executive Director of the Company.

Such remuneration levels will be determined according to industry standards and scale of Group's business relating to the position.

The fixed remuneration will reflect the core performance requirements and expectations of the Group.

The Executive Directors will also receive a set fees intended to reflect the scope of the Board work and the responsibility related to serving on the Board.

## 2. Performance Based Remuneration

In addition to fixed remuneration, the Executive Directors may be paid bonuses to create a strong relationship between performance and remuneration.

Performance based remuneration will be linked to the performance of the Group.

### Non-Executive Directors

The Company will remunerate Non-Executive Directors in a manner designed to attract and maintain high quality Board members.

Non-Executive Directors will receive a set fees for their service and are not entitled to any performance based remuneration, bonus payments or retirement benefits.

The fees paid to the Non-Executive Directors are intended to reflect the scope of the Board work and the responsibility related to serving on the Board. Furthermore, the fees are determined at a level intended to be consistent with the market level.

The remuneration of Non-Executive Directors must also be consistent with and supportive of maintaining the Non-Executive Director's independence.