

Directors and Senior Management's Remuneration Policy

1. Introduction

This policy sets out the criteria to be used in recommending the remuneration package of Directors and senior management of SKB Shutters Corporation Berhad (the "**Company**") and is in line with the best practice provisions of the Malaysian Code on Corporate Governance.

2. Objectives

- 2.1. This policy is designed to:
- 2.1.1 Determine the level of remuneration package of the Executive Directors and senior management whereas, the remuneration of non-Executive Directors also operate as the same basis, expect it requires shareholders' approval;
 - 2.1.2 Attract, develop, and retain high performing and motivated Executive Directors and senior management with a competitive remuneration package;
 - 2.1.3 Provide a remuneration such that the Executive Directors and senior management are paid a remuneration commensurate with the responsibilities of their positions, reflecting their contributions for the year and which are competitive and consistent with its culture and strategy;
 - 2.1.4 To ensure the level of remuneration of Non-Executive Director are linked to their level of responsibilities undertake and contributions to the Board;
 - 2.1.5 The Remuneration Committee ("**RC**") is empowered to make qualitative and quantitative assessment of performance in reaching its recommendations. The RC is also empowered to provide appropriate disclosure of their assessment, if required, so that shareholders can understand the basis of its recommendation.

3. Remuneration Components

3.1. Executive Directors & Senior Management

- 3.1.1. The composition of the Executive Directors' remuneration is made up of fixed salaries, performance bonus, directors' fees, allowances and emoluments, benefit-in-kind and et-cetera.
- 3.1.2. The following factors are taken into consideration in determining the remuneration of the Executive Directors:
 - The scope of the duty and responsibilities;
 - The conditions and experiences required;
 - The corporate and individual performance; and
 - Current market rate within the industry and in comparable companies.
- 3.1.3 The Executive Directors are not present when matters affecting their own remuneration arrangements are considered.

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3.2. Non-Executive Directors

- 3.2.1. The Non-Executive Directors' remuneration is made up of Non-Executive Directors fees and reimbursements of expenses in the course of discharging their duties as Directors.
- 3.2.2. The following factors are taken into consideration in determining the remuneration of the Non-Executive Directors:
- Reflect the qualifications and contribution required in view of the Group's complexity;
 - The extent of the duty and responsibilities; and
 - The corporate and individual performance.
- 3.1.3 The determination of the remuneration for Non-Executive Directors is a matter for the Board as a whole, and shall be subject to shareholders' approval at the Company's Annual General Meeting.

4. Remuneration Benchmarking

- 4.1. Periodic benchmarking of the Executive Directors, Non-Executive Directors and Senior Management's remuneration shall be undertaken as and when the Board deems necessary, to assess the competitiveness of the Company's remuneration packages in the market with reference to companies in similar industries and scales.
- 4.2. The RC shall be responsible for reviewing and recommending a remuneration framework for the Directors and Senior Management of the Company for the Board's approval.

5. Periodic Review and Disclosure

- 5.1. The RC should conduct a review on an annual basis of the criteria to be used in recommending the remuneration package of the Directors and senior management. The RC should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors
- 5.2. The Board should disclose this policy in the Company's website.

This Policy is adopted by the Board of Directors on 8 May 2023.