



**SIK CHEONG BERHAD**  
**202301023959 (1517882-K)**  
(Incorporated in Malaysia)

## **REMUNERATION POLICY**

### **1. INTRODUCTION**

This remuneration policy ("**Policy**") sets out the criteria to be used in recommending the remuneration package of Executive Directors, Non-Executive Directors and senior management of Sik Cheong Berhad ("**Sik Cheong**" or the "**Company**") and is in line with the principles and practices of the Malaysian Code on Corporate Governance ("**MCCG**").

### **2. OBJECTIVES**

The objectives of this policy are as follows:

- (a) To retain, motivate and attract high performing Directors and senior management with a competitive remuneration package which is comparable with market rate and in line with the Company's business strategy and long-term objectives; and
- (b) To provide a remuneration package that is fair and transparent to the Directors and senior management and ensure that they are paid a remuneration commensurate with the responsibilities of their positions, reflecting their contributions and achievements.

### **3. REMUNERATION STRUCTURE**

#### **A. Executive Directors and Senior Management**

- (a) The remuneration for Executive Directors and senior management comprised of Director's fees, basic salaries, annual/performance bonus and other benefits (such as motor vehicle, travelling allowance, medical insurance, retirement benefits and other emoluments and benefits comparable to similar market practice) and such other allowances/incentives.
- (b) The remuneration for Executive Directors and senior management should be determined based on individual performance, responsibilities, skills and experience, overall performance and growth of the Company and its subsidiaries ("**Group**") as well as the relevant market rate.
- (c) Each Executive Director concerned shall abstain from deliberations and voting on decisions in respect of his/her individual remuneration.
- (d) The remuneration package for Executive Directors and senior management is reviewed by the Remuneration Committee and if appropriate, recommended to the Board of Directors ("**Board**") for approval.

#### **B. Non-Executive Directors**

- (a) Non-Executive Directors may receive remuneration in the form of Directors' fees, meeting attendance allowance for their attendance at meetings and other benefits as may be determined from time to time.
- (b) The level of remuneration for Non-Executive Directors shall be in line with market practice taking into account factors including their experience, level of responsibilities, time commitments required to fulfil their role and the variable workload associated with their memberships at the Board committees.



- (c) For Independent Non-Executive Directors, the Board shall ensure their remuneration and incentives shall not conflict with their obligation in bringing objectivity and independent judgment.
- (d) The Board as a whole will decide the remuneration of the Non-Executive Directors based on the recommendation of the Remuneration Committee. The Non-Executive Director concerned shall abstain from deliberations and voting on decision in respect of his/her individual remuneration.
- (e) The payment of Directors' fees and benefits to Non-Executive Directors is subject to the approval of shareholders at the annual general meeting ("**AGM**") based upon a proposal of the Board (as recommended by the Remuneration Committee). The total amount of Directors' fees and benefits paid to the Non-Executive Directors must not exceed the maximum amount approved by the shareholders at the AGM. In the event the amount of Directors' fees and benefits for Non-Executive Directors exceed the amount approved by the shareholders, approval shall be sought at the next AGM for the shortfall prior to making payments to the Directors.

#### **4. REVIEW OF THIS POLICY**

The Remuneration Committee shall review or, if necessary, further develop the Policy from time to time to ensure that it is in line with current market practices and requirements of the MCGG. Any amendments to this Policy shall be submitted to the Board for approval. This policy is made available for reference on the Company's website.

This Policy (Version No. 1) was reviewed and adopted by the Board on 28 December 2023.