

KOMARKCORP BERHAD

(Company No. 374265-A)
(Incorporated in MALAYSIA)

POLICY FRAMEWORK ON REMUNERATION OF DIRECTORS

Introduction

The Remuneration Committee (RC) has the following responsibilities with regards to remuneration of the directors of Komarkcorp Berhad (“Komarkcorp”).

1. Review and recommend to the Board the remuneration of the Executive Director (ED) in all its forms including the review and recommendation of this policy framework and terms of employment of the ED;
2. Review and recommend to the Board the annual bonus and salary increment of the ED;
3. Review and recommend this policy framework for the remuneration of the Non-Executive Directors of the Group;
4. Review and recommend to the Board on the remuneration package in term of company car;
5. Review of Board’s succession plans and facilitate induction and training programmers.

This Policy Framework outlines the principles and guidelines adopted by the RC in discharging its responsibilities with regards to remuneration of directors of the Group.

Principles and Guidelines

In line with the Board’s views and considerations, the RC takes cognizance of the principles recommended by the Code of Corporate Governance in determining the remuneration of directors.

The remuneration of executive directors’ is designed to link rewards to the Group’s performance. The RC adopts the guideline in this review of annual bonus and salary increment of the executive directors.

The remuneration of non-executive directors is further determined in accordance with their experience and the level of responsibilities assumed in the board committees. The RC adopts the guidelines in its review of directors’ fees and other remuneration of the non- executive directors.

Review

The RC shall undertake annual review on the appropriateness of this policy framework and guidelines on remuneration of directors and recommend to the Board for approval and adoption.

A. GUIDELINES ON ANNUAL BONUS AND SALARY INCREMENT OF EXECUTIVE DIRECTORS

i. Annual Bonus

The annual bonus of the executive directors shall be subject to the performance and profitability of the Group and recommendation of the RC for the Board's approval.

The annual bonus of the executive directors shall base on the Consolidated Profit before tax of the financial year just ended as below :-

Consolidated Profit before Taxation	No. of Months of Basic Salary
Above 10 million	6 months & above
8,000,001 – 10 million	5 months
6,000,001 – 8 million	4 months
4,000,001 – 6 million	3 months
2,000,001 – 4 million	2 months
Below 2 million	1 months

There is a general understanding of a cap of maximum 12 months' annual bonus unless there are extenuating circumstances which the RC may consider for additional discretionary bonus.

ii. Annual Salary Increment

The annual salary increment of the executive directors shall be subject to the performance and profitability of the Group and the recommendation by the management to RC. Subsequently, the RC will recommend for the Board's approval.

The RC may review the base salary and / or remuneration package, in situations where there are significant changes in scope and / or level of duties and responsibilities, roles and contributions of the executive directors, taking into consideration prevailing market conditions and practices.

These guidelines on annual bonus and salary increment serve as the basis on the principles adopted within the policy.

B. GUIDELINES ON COMPANY CAR OF EXECUTIVE DIRECTORS

The company car of the executive directors shall be based on the position of directors as below:-

Position	Eligible company car value
Group MD/Executive Chairman	RM500,000 – RM900,000
Chief Operating Officer	RM150,000 – RM400,000

The Management shall furnish the necessary data and information and make recommendations to the RC for its review and evaluation. The RC may request further information as it deems necessary.

The RC shall make the recommendation on the quantum of company car to the Board of Directors for approval.

These guidelines on the company car of executive directors serve as the basis on the principles adopted within the policy.

C. GUIDELINES ON ANNUAL DIRECTORS' FEES AND OTHERS REMUNERATION OF NON-EXECUTIVE DIRECTORS.

In view of the responsibilities expected of the directors in relation to the Group's structure and size and taking into consideration prevailing market rates, the Remuneration Committee (RC) shall set out the directors' fees per director for each full financial year of service.

Director fees

Position	Full Financial Year of Service (RM)
Chairman of Audit, Nomination & Remuneration Committees	48,000
Independent Directors	42,000

Meeting Allowances

All non-executive directors shall be entitled to the following allowances of RM500 per meeting.

These guidelines on directors' fee and other remuneration of the non-executive directors serve as the basis on the principles adopted within the policy.