

**SKP RESOURCES BHD**  
(Company No. 524297-T)  
(Incorporated in Malaysia)

**REMUNERATION POLICY**

**Purpose**

The Remuneration Policy (“**Policy**”) sets out to provide remuneration principles and guidelines for the Executive Directors (“**EDs**”) and Non-Executive Directors (“**NEDs**”) of SKP Resources Bhd (“**SKP**” or “**the Company**”).

In setting the Policy, the Remuneration Committee recognises the need for the Company to be competitive in today’s volatile business environment in attracting and retaining talents on its Board. The Policy is designed with the aim to support the Company’s key strategies and create a strong performance-oriented environment, and be able to attract, motivate and retain talent. The Policy shall adhere to the following key principles:-

- total remuneration shall be set at levels that are competitive with the relevant market and industry; and
- incentive plans, performance measures and targets shall be aligned with shareholders’ interest in mind.

**Executive Directors**

The remuneration of EDs is made up of basic salaries, monetary incentives, and fringe benefits and is linked to the achievement of corporate performance targets.

- **Policy on Salaries**  
Salaries for EDs consist of both fixed (i.e. base salary) and variable (performance-based incentive) remuneration components. The remuneration levels of EDs are structured to enable the Company to attract and retain the most qualified Executive Board members.
- **Policy on Other Benefits (Non-Cash Benefits or Benefits-In-Kind)**  
The Company may provide competitive benefits to EDs, such as a fully expensed car or cash alternative in lieu of car, company driver, fuel expenses, private medical insurance and life insurance. Allowances relating to business expenses (i.e. entertainment and travel) incurred are reimbursed such that no additional compensation is given to the EDs.

**Non-Executive Directors**

NEDs receive remuneration in the form of Directors’ fees and meeting allowances (collectively, known as emoluments) as compensation for their services plus the reimbursement of expenses incurred, if any, in the course of performing their services.

The emoluments of NEDs are reviewed by the Remuneration Committee annually.

NEDs are not entitled to receive performance-based bonuses nor participate in short-term and/or long-term incentive plans.

The level of remuneration for NEDs shall reflect the experience and level of responsibilities undertaken by the NED concerned. The remuneration of an NED shall not be based on commission, the percentage of profits, or turnover. It shall also not include commission based on the percentage of turnover. Fees payable to NEDs shall not be increased except in pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the meeting.

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**Remuneration Committee**

The Remuneration Committee determines the Company's remuneration practices with the aim of attracting, motivating and retaining high caliber EDs and NEDs to deliver value for shareholders and high levels of customer service, safety and reliability in an efficient and responsible manner. Performance-based remuneration is determined in a manner which promotes sound risk management and does not induce excessive risk-taking.

The EDs concerned play no part in the decision of their own remuneration but may attend the Committee meetings at the invitation of the Chairman of the Remuneration Committee, if their presence is required. The determination of NED's remuneration is decided by the Board, as a whole, with individual Directors abstaining from discussion of his or her own remuneration.

Where the Board appoints a Director to the Company, the Board, at the recommendation of the Remuneration Committee, shall formally determine the non-fee remuneration of the said Director in the spirit of this Policy.

**Measurable Objectives**

The Remuneration Committee shall discuss and agree on all measurable objectives for offering fair remuneration packages for EDs and NEDs and recommend them to the Board for adoption in line with developments in market practices systematically.

The Board is free to seek to improve one or more aspects of the remuneration packages and measure progress accordingly. On this, the Board may seek professional advice from outside sources to assist the Board in formulating an attractive compensation and benefits package that aims to attract, retain and motivate talents.

**Corporate Governance**

On a periodic basis, the Remuneration Committee shall review and assess the effectiveness and continued relevance of this Policy. Any requirement for amendment shall be deliberated by the Committee, and any recommendation for revisions shall be presented to the Board for approval. Based on recommendations from the Remuneration Committee, the Board shall submit any adjustments in Directors' fees to the General Meeting for approval by shareholders.

Disclosure of Directors' remuneration shall be made in the corporate governance statement of the SKP Annual Report. Such report shall include a summary of this Policy and details of the Directors' remuneration in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad.

This Policy shall be held in custody of, and filed by, the Company Secretary of SKP.

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