

CEKD BERHAD

[Registration Number: 201801023077 (1285096-M)]

(Incorporated in Malaysia)

REMUNERATION FRAMEWORK

1. PURPOSE:

The Remuneration Framework is the guiding document (“Document”) for the Board of Directors (“the Board”) and the Remuneration Committee (“RC”) of CEKD BERHAD (“CEKD” or “the Company”) and its subsidiaries (“CEKD Group” or “the Group”) to determine the remuneration of Directors and Senior Management, taking into account the demands, complexities and performance of the Group as well as skills, experience, responsibilities and time commitment required.

This Document sets out the principles and philosophies that guide the design, management and operation of the Group’s remuneration structure. RC will review this Document periodically to ensure that the Remuneration Framework remains competitive with the market and is consistent with the Group’s objectives and strategies.

2. REMUNERATION PRINCIPLES:

The Group is guided by the following four (4) principles in remunerating its Directors and Senior Management:

- **Business Focused**
Remuneration must be appropriate and aligned towards the achievement of the Group’s business results.
- **Performance Oriented**
The remuneration packages reward the Directors and Senior Management who have contributed to the Group’s overall profits, productivity, growth and sustainable development.
- **Simple and Transparency**
The framework should be simple and transparent for the Board and stakeholders to understand and seek for clarification where necessary.
- **Competitive and Fair**
The overall remuneration packages offered to Directors and Senior Management should be fair and sufficiently competitive in the marketplace to attract and retain highly experienced and talented individuals. There must be no discrimination, biased treatment or any form of exploitation.

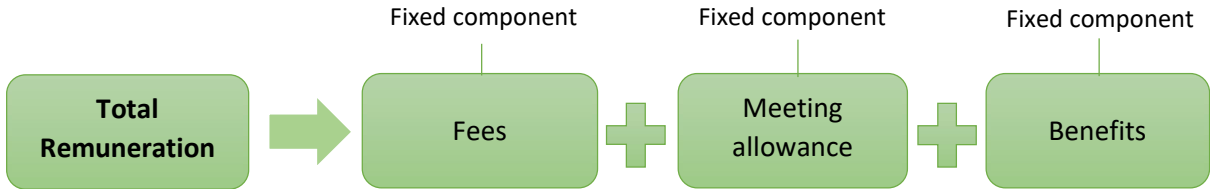
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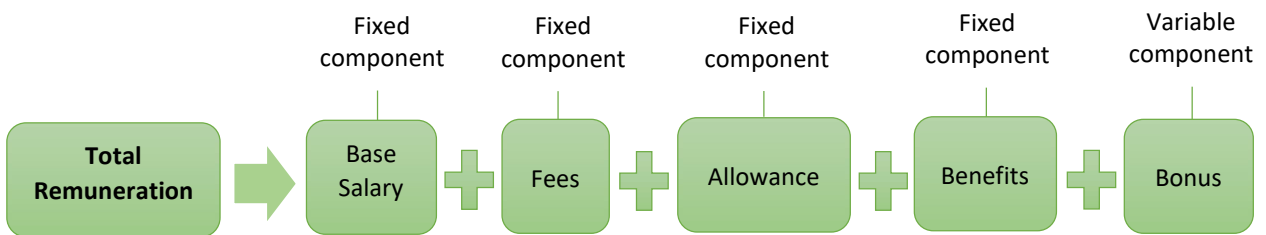
3. REMUNERATION STRUCTURE:

3.1 A typical remuneration structure for Non-Executive Directors (“NEDs”) of the Company is illustrated below:

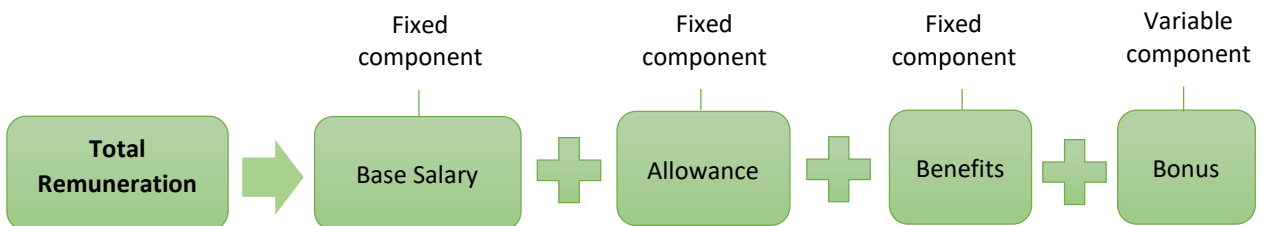


Category - Fixed/Variable	Component	Component Description
Fixed	Fees	A fixed sum shall be provided to NEDs for their ongoing contribution to the Board.
Fixed	Meeting Allowance	A payment shall be made to NEDs on a per-meeting basis with a condition that attendance (physical or virtual) is a prerequisite for remittance.
Fixed	Benefits	Benefits may be provided to increase the economic security of NEDs personnel and as an incentive to attract and retain talent. NEDs may be provided with benefits-in kind such as insurance coverage, business travel, and other benefits.

3.2 A typical remuneration structure for Executive Directors (“EDs”) of the Company is illustrated below:



3.3 A typical remuneration structure for Senior Management personnel that are not holding a directorship position in the Company is illustrated below:



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Category - Fixed/Variable	Component	Component Description
Fixed	Base Salary	A monthly payment shall be provided to EDs and Senior Management personnel for performing their day job.
Fixed	Fees	A fixed sum shall be provided to EDs for their ongoing contribution to the Board.
Fixed	Allowance	Provides a simple competitive alternative to the provision of itemised benefits.
Fixed	Benefits	Benefits may be provided to increase the economic security of EDs and Senior Management personnel and as an incentive to attract and retain talent. In addition to statutory contributions, Eds and Senior Management personnel may be provided with benefits such as medical benefits, insurance coverage, and other benefits.
Variable	Bonus	A performance based sum (paid via cash, shares or stock options) may be awarded to EDs and Senior Management personnel for attaining or exceeding their assigned key performance indicators (KPIs).

4. REMUNERATION POLICY AND PROCEDURES

4.1 Policy and procedures for Non-Executive Directors' remuneration

- 4.1.1 CEKD's remuneration policy is to develop a remuneration structure for NEDs that is commensurate with their responsibilities at both the Board and Board Committee level and is sufficient to attract, incentivise and retain quality NEDs.
- 4.1.2 NEDs' remuneration packages shall be determined on the basis of their experience and competence, level of responsibilities, time commitment and annual evaluation as undertaken by the Nominating Committee.
- 4.1.3 As mentioned in the preceding section, NEDs shall be paid via fixed fees, meeting allowances and other benefits. NEDs shall not be entitled for any gratuity, ex gratia or agreed upon severance payments.
- 4.1.4 For the meeting allowance, no distinction shall be made between participation in person and virtual participation by video, teleconference or other electronic modes that permit NEDs to participate. Virtual participation during meetings will constitute attendance and as such, meeting allowance will be accorded accordingly.

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4.2 Policy and procedures for Executive Directors and Senior Management' remuneration

- 4.2.1 Remuneration policy for EDs and Senior Management is to ensure that the level of remuneration is generally set to provide market competitiveness to attract, retain and motivate Executives of the highest calibre to competently manage the Company.
- 4.2.2 The component parts of remuneration shall therefore be structured to link the remuneration package with corporate and individual performance and take into account similar packages at comparable companies.
- 4.2.3 The performance of EDs and Senior Management is measured based on the achievements of their annual KPIs. The rewards accorded to EDs and Senior Management for their achievement of the respective KPIs shall comprise annual bonus and increment to their base salaries. EDs and Senior Management shall not be entitled for any gratuity, ex gratia or agreed upon severance payments.

5. REVIEW OF THE POLICY AND PROCEDURES

- 5.1 This Policy and Procedures has been endorsed by the Board, upon recommendation by the RC. This policy shall be reviewed periodically or as and when it is necessary.
- 5.2 The RC, with the support of the Company Secretary, shall ensure that the provisions of this Policy and Procedures continue to comply with the legal requirements and corporate governance requirements and, if necessary, shall suggest amendments to this Policy and Procedures for consideration by the Board.

Updated on 24.01.2022