



REMUNERATION POLICY AND PROCEDURES FOR DIRECTORS AND SENIOR MANAGEMENT

Approved on 10 May 2022

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1. Objectives

The objectives of this Policy are to:

- i. provide a formal and transparent principles or procedures to determine the remuneration of the Directors and Senior Management of the Company ("Key Employees").
- ii. attract and retain talented and people of high calibre.
- iii. ensure that Directors and Senior Management are fairly remunerated for their responsibilities, complexities, demands and contribution to the Company, taking into account the Company's overall performance.

2. Director's Remuneration

The Remuneration Committee is responsible for recommending to the Board the remuneration package for the Directors. The remuneration for the Directors should reflect the Board's responsibilities and contributions in leading and managing the Group's business operations. The fees of Directors and benefits payable to the Directors are subjected to the shareholders' approval at the Company's Annual General Meeting.

The remuneration for the Executive Directors shall include fixed Director's fee, salary, allowance, contribution to the EPF, bonus, and/or other benefits. The remuneration for the Non-Executive Directors shall include fixed Director's fee, allowance and/or other benefits.

3. Senior Management's Remuneration

The remuneration consists of two main components – fixed and variable.

i. Fixed components

- basic salary and fixed allowance.
- determined based on positions, skills, competencies, responsibilities, and experiences of the employee, taking into consideration market conditions/ competitiveness.

ii. Variable components

- remuneration payable annually through incentive, cash bonus, and/or shares (through *Share Grant Plan) based on individual performance to motivate, reward and retain high-performing employees who contribute to the overall performance of the Group.
- measured based on the achievements of their annual KPIs (both qualitative and quantitative KPIs, ESG and sustainability targets).
- based on the individual performance and/or business unit performance and not guaranteed.

*Frontken has established a Share Grant Plan for all eligible Directors and Employees of the Company and its subsidiaries. It aims to reward and retain Key Employees whose service and contribution are vital to the Group's business, future plans and continued growth. Additionally, it generates a greater sense of belonging among the Key Employees and serves as a retention tool that in turn will contribute towards the growth and profitability of the Company.

4. Review

The policies and procedures are periodically reviewed and made available on the Company's website at www.frontken.com.