

# **SHH RESOURCES HOLDINGS BERHAD**

(Company No: 304227-U)

## **REMUNERATION POLICY**

### **Objectives**

The objective of this Policy is to assist SHH Resources Holdings Berhad (“SHH”) Group in attracting, retaining and motivating its directors. The remuneration shall commensurate with the responsibilities of the directors, competitive with the relevant market/industry practice and aligned with shareholders’ interests.

The Board of Directors, on the recommendation of the Remuneration Committee, shall approve the SHH’s remuneration policy. The Remuneration Committee recommends to the Board the remuneration packages of Executive and Non-Executive Directors and it is the responsibility of the Board as a whole to approve the remuneration packages, except that Director’s Fees shall be approved by the shareholders at general meetings.

No Director shall participate or vote on the deliberations and decisions concerning his or her own remuneration.

### **POLICY AND PROCEDURES**

The Remuneration Committee is responsible for developing the remuneration policy and determining the remuneration of the Directors. However, it is the ultimate responsibility of the Board to approve the remuneration of these Directors.

The Directors are offered an appropriate level of remuneration which reflects the level of risks, responsibilities, experiences as well as the performance of the Company undertaken by the individual Director concerned.

#### **1. Executive Directors**

The remuneration of the Managing Director and Executive Director(s) is made up of basic salaries, directors’ fees, allowances, annual bonus & etc. and are set according to:-

- the nature of job;
- the level of skills, experience and scope of responsibilities;
- the performance, contribution and commitment devoted to the company; and
- market and industry’s rate.

In formulating the remuneration levels, the Committee shall consider the assessment on the performance of the Managing Director and the Executive Director(s) against such targets as well as benchmarking to market rate for benefits-in-kind, annual increment and bonus. The performance measures may derive from a mix of financial and strategic measures. Financial measures may include profitability of the Group. Strategic measures may include but not limited to competitive performance metrics such as enhancement of shareholder value or market share.

Remuneration of the Managing Director and Executive Director(s) shall be structured to link rewards to corporate and individual performance and shall take into consideration remuneration paid to directors of other similar companies, whether in size and/or industry, the individual's performance and responsibility, market competitiveness as well as Group's overall performance.

## **2. Non-Executive Directors**

The remuneration of the Non-Executive Directors consists of allowances and directors' fees. The level of remuneration for the Non-Executive Directors shall reflect the experiences, level of responsibilities and time commitment undertaken by the Non-Executive Directors concerned. Remuneration for the services of Non-Executive Directors shall be aligned with market terms, taking into consideration remuneration paid to directors of other similar companies, whether in size and/or industry, the individual's performance and responsibility, market competitiveness as well as SHH's overall performance.

Executive Directors who report to the Managing Director are evaluated annually by the Managing Director premised on annual measurements and targets set. Thereafter, the Managing Director recommends the remuneration levels for Executive Directors to the Remuneration Committee for approval.

The Remuneration Committee operates under the delegation of the Board to provide an oversight of the Group's remuneration and compensation plans on behalf of the Board. The Remuneration Committee reviews the remunerations strategy and plans of the Group, compares the strategy and plans with market and industry standards and, where possible, verifies the appropriateness of the strategy and plans by reference to external information and advice.

### **Review of Policy**

The Remuneration Policy is subject to periodical review by the Board of Directors and will be amended as appropriate to reflect the current best practices.