



ES CERAMICS TECHNOLOGY BERHAD
Registration No. 200301024697 (627117-P)
(Incorporated in Malaysia)

REMUNERATION POLICY AND PROCEDURE

REMUNERATION OF EXECUTIVE DIRECTORS

The remuneration of the Executive Directors shall be reviewed and proposed by the Management to the Remuneration Committee for their consideration and recommendation to the Board for approval.

Annual Bonus

The Company has in place a performance management framework to promote a merit-based organisation where clear targets are annually identified upfront and employees are measured and incentivised at two levels, i.e. based on company-wide key performance indicators performance and individual performance assessment. The goal of the performance related cash incentive portion of the remuneration of the Executive Directors is to reward the individual's performance with regard to targets set which are also consistent with the long term strategic objectives and economic value creation for the shareholders of the Company and other stakeholders.

Each year, a cash incentive may be earned based on the achievement of specific targets which are normally set annually by the Remuneration Committee, taking into account general trends in the general reference market.

Other benefits

Executive Directors shall also be entitled to other benefits provided to employee of the Company and other additional benefits if so proposed by the Management to the Remuneration Committee for their consideration and recommendation to the Board for approval.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The remuneration of non-executive directors proposed by the Management is determined by the Board which comprises the following :

- Director Fee - Non-executive directors receive fees. The fees are to be determined and recommended by the Board and to be approved by shareholders.
- Meeting Allowance - The non-executive directors of the Company will receive meeting allowance for attending Board Committee meetings and Board meetings. The meeting allowance is to be determined by the Board.
- Other benefits - The non-executive directors of the Company are also entitled to other benefits if so proposed by the Management for recommendation to the Board for decision.

The Directors may be remunerated by a fixed sum (for non executive director) or by a percentage of profits (for executive directors) or otherwise as may be determined by the Board for the performance of extra services or to make any special exertions in going or residing away from his usual place of business or residence for any purpose of the Company or giving special attention to the business of the Company. Such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the directors. Such remuneration would be proposed by the Management to the Remuneration Committee for their review, consideration and recommendation to the Board for decision.