



# SAPURA RESOURCES BERHAD (3136-D)

## BOARD REMUNERATION POLICY

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## Table of Contents

1.	INTRODUCTION .....	3
2.	DETERMINATION OF DIRECTORS' REMUNERATION.....	3
3.	DIRECTORS' FEES AND BENEFITS .....	5
4.	REVIEW OF DIRECTORS' REMUNERATION .....	5
5.	REVIEW OF POLICY .....	6
6.	DISCLOSURE .....	6

## 1. INTRODUCTION

The objective of the Board Remuneration Policy is to support business strategy which is more long term and strategic in nature. It is aimed at motivating the Directors to achieve the Sapura Resources Berhad (“SRB”) Group’s business objective.

## 2. DETERMINATION OF DIRECTORS’ REMUNERATION

2.1 Remuneration of Directors is determined with regards to the SRB’s needs to maintain appropriately experienced and qualified Board Members in accordance with competitive pressures of the marketplace.

2.2 The Remuneration Policy is designed based on the following principles:

- a. to attract and retain directors;
- b. to motivate directors to achieve SRB’s business objective; and
- c. to align the interests of the Company with the long term interest of the shareholders.

2.3 In determining the remuneration of Directors, the Board Nomination and Remuneration Committee (BNRC) is guided by the provisions of SRB’s Articles of Association which provides the following (in respect of Directors):

**Article 93:**

***“The remuneration of the Directors (other than salaries payable to executive directors) shall be determined from time to time by the Company in general meeting and such remuneration shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the meeting. Such remuneration shall be divided among the Directors in such proportions and manner as they may agree and in default of agreement, equally, except that in the latter event, any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for the proportion of remuneration related to the period during which he has held office.”***

**Article 94:**

***“The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meeting or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.”***

**Article 95:**

***“The Director may from time to time appoint such persons from their body to an executive position in the Company subject to the terms and conditions of any Agreement between such appointed persons and the Company (if any). Any Directors who is so appointed or who serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in these Articles.”***

**Article 96:**

***“The remuneration payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to Executive Directors may not include a commission on or percentage of turnover.”***

- 2.4 The Directors fees and associated costs must not place an inappropriate burden on the Company's finances.

### 3. **DIRECTORS' FEES AND BENEFITS**

The Board of Directors has approved the following Directors' Fees and Benefits on 26 April 2016:-

#### Part A: Directors' Fees

<b>Directors' Fees</b>	
<b>1. Board of Directors</b>	
• Chairman	RM118,000 per annum
• Other Members	RM59,000 per annum
<b>2. Board of Audit Committee ("BAC")</b>	
• Chairman	RM30,000 per annum
• Other Members	RM24,000 per annum
<b>3. Board of Nomination &amp; Remuneration ("BNRC")</b>	
• Chairman	RM18,000 per annum
• Other Members	RM12,000 per annum

#### Part B: Directors' Benefits

<b>Type of Meetings</b>		
<b>1. Meeting Allowance (per meeting) :</b>	<b>Chairman</b>	<b>Members</b>
• Board of Directors	RM500	RM500
• Board of Audit Committee ("BAC")	RM500	RM500
• Board of Nomination & Remuneration ("BNRC")	RM500	RM500

### 4. **REVIEW OF DIRECTORS' REMUNERATION**

- 4.1 The BNRC may from time to time seek independent advice on remuneration of Directors and make recommendations to members in relation to any increase in total fees.
- 4.2 The remuneration of the Directors shall be reviewed every year by the BNRC. In conducting the review, the assistance of an independent professional advice can be sought to provide the BNRC with the latest development and up to date information in respect of the remuneration of Directors.

**5. REVIEW OF POLICY**

- 5.1 This policy is subject to regular review by the BNRC and will be amended as appropriate to reflect the current best practices.
- 5.2 The policy may be amended by resolution of the Board of Directors.

**6. DISCLOSURE**

- 6.1 The Board will make appropriate disclosure to shareholders in its annual report of the key aspects of this Policy, including explaining any departure from the best practices and recommendations as set out by the Malaysian Code on Corporate Governance 2017 (if any).
- 6.2 This Policy will be published on SRB's website for public information.