

Sarawak Cable Berhad

Directors' remuneration policy

The policy for Directors' remuneration is to provide a remuneration package needed to attract, retain and motivate Directors of the quality required to manage the business of the Sarawak Cable Group.

The Directors' remuneration policy is designed to encourage long-term decision making, to remove undue volatility from remuneration outcomes and to act as an effective retention tool during market downturns by paying competitive market salaries, profit based bonuses and incentive plan based on performance horizon.

Total remuneration for Executive Directors is made up a number of elements. The purpose of each element is set out below:

	Component	Purpose
Fixed pay	Base salary	Paying salaries at a competitive level enables the Company to recruit and retain key executives.
	Benefits	The benefits provided to executives are items and allowances that assist them in carrying out their duties effectively.
Variable pay	Annual bonus	Payments incentivize the delivery of targets projected in the annual business plan.
	Annual incentive	The incentive was designed to motivate the delivery of the Group's financial performance. Executive Directors, Chief Operating Officer and identified senior management will be rewarded with incentives to ensure dual focus on Group's performance and performance of respective companies within the Group.

Fixed pay policy for Executive Directors		
Component	Operation	Remarks
Base salary	<p>Sarawak Cable's policy is to offer all Executive Directors base salaries which are competitive within their local market.</p> <p>The Remuneration Committee reviews salaries annually with changes effective from 1 January. In determining base salaries for each Executive Director, the Remuneration Committee considers factors such as:</p> <ul style="list-style-type: none"> • salary increases for all employees; • the performance and experience of the executive director; and • Group financial performance. <p>Additionally, economic factors such as inflation are considered. Having taken a view on the appropriate levels of increase based on these criteria, market data is reviewed with the intention that any resultant salary remains within a competitive range.</p>	<p>Annual salary increases for Executive Directors will normally be in line with the increases for other employees across the Group.</p> <p>However, there is no prescribed maximum annual increase.</p>

Fixed pay policy for Executive Directors (contd.)		
Component	Operation	Remarks
Benefits	<p>The Remuneration Committee has the discretion to offer Executive Directors benefits which reflect their individual circumstances and are competitive within their local market, including:</p> <ul style="list-style-type: none"> • health benefits; and • transport benefits. 	<p>The maximum paid will be the cost to Sarawak Cable providing these benefits. The cost of these benefits may vary from year to year but the Remuneration Committee is mindful of these costs.</p>

Annual bonus policy for Executive Directors	
Annual bonus	
Operation	<p>The awards of annual bonus to all Executive Directors are subject to the achievement of financial targets.</p> <p>Contractual bonus which is specified in the service contract for all Executive Directors will be awarded based on the terms stated in the service contract.</p>
Determining annual bonus payments	<p>The Remuneration Committee determines the annual bonus payment for all Executive Directors with reference to the Group's performance achieved.</p> <p>In assessing performance, the Remuneration Committee will take into account the financial performance of the Group, as well as other relevant factors including the performance of the Executive Director.</p>
Performance measures	<p>The Remuneration Committee has the discretion to determine the specific performance conditions and to set targets for these measures with reference to the approval by the Board of Directors.</p> <p>The financial measures used will typically include profit and cash adequacy.</p>

Annual bonus policy for Executive Directors	
Annual incentive	
Operation	<p>The awards of annual incentive to all Executive Directors are subject to the achievement of the Group's financial performance.</p>
Determining annual incentive payments	<p>The Remuneration Committee determines the annual incentive payment for all Executive Directors with reference to the Group's performance achieved.</p> <p>In assessing performance, the Remuneration Committee will take into account the financial performance of the Group, based on the measures approved by the Board of Directors appended as Appendix A.</p>
Performance measures	<p>The Remuneration Committee has the discretion to determine the specific performance conditions and to set targets for these measures with reference to the approval by the Board of Directors.</p> <p>The financial measures used will typically include profit adequacy.</p>

Notes to the remuneration policy table for Executive Directors:

Setting the performance ranges

Where variable pay has performance conditions based on business plan measures, the performance ranges are set by the Remuneration Committee and shall be reviewed by the Remuneration Committee annually. The performance ranges are approved by the Board of Directors.

Approach to recruitment remuneration

The table below outlines the approach the Group will take when recruiting a new executive director. This approach would also apply to internal promotions.

Element	Approach
Base salary, benefits	The salary and benefits for a new executive director will be set using the approach set out in the table "Fixed pay for Executive Directors".
Variable remuneration	The variable remuneration opportunities for a new executive director would be consistent with the limits and structures outlined in the variable pay policy table.

Notice periods – Executive Directors

The required notice period to be served by Executive Directors who intends to vacate its office, which is three (3) months as determined by the Nomination Committee and approved by the Board of Directors.

Remuneration policy for Non-Executive Chairman and Non-Executive Directors		
	Fees	Benefits
Non-Executive Chairman and Non-Executive Directors	<p>Non-Executive Chairman and Non-Executive Directors received an annual fee for their duties as a Board member.</p> <p>Additional fees are paid for added responsibilities such as chairmanship and membership of committees.</p> <p>Fees are paid to Non-Executive Chairman and Non-Executive Directors in cash, subject to the appropriate deductions.</p> <p>The basic and additional fees are reviewed by the Remuneration Committee and Board of Directors annually.</p> <p>In determining the level of fees, the Board of Directors considers:</p> <ul style="list-style-type: none"> the time commitment and other requirements of the role; Group financial performance; and salary increases for all employees. <p>Non-Executive Chairman and Non-Executive Directors are not eligible to participate in annual bonus plans.</p>	<p>Non-Executive Chairman and Non-Executive Directors are not eligible to receive benefits.</p> <p>Travel expenses for Non-Executive Chairman and Non-Executive Directors are incurred in the normal course of business, for example, attendance at Board or committee meetings. The costs associated with these are all met by the Company.</p>

Recruitment of a new non-executive chairman or non-executive director

The fees for a new non-executive chairman or non-executive director will be consistent with the current basic fee paid to other non-executive chairman and non-executive director and will be reflective of their additional responsibilities as Chair and/or members of Board committees.

Notice periods – Non-Executive Chairman and Non-Executive Directors

The required notice period to be served by Non-Executive Chairman and Non-Executive Directors who intends to vacate its office is one (1) month as determined by the Nomination Committee and approved by the Board of Directors.