



CTOS DIGITAL BERHAD

DIRECTORS' REMUNERATION POLICY

1.0 OBJECTIVE

The objective of this Remuneration Policy for Directors (“the Policy”) is to set an appropriate level of remuneration that allows the Company to attract and retain the services including employment of a suitable number of talented and well-qualified Directors in line with the long-term business strategies of CTOS Group (“Company”).

2.0 SCOPE

This Policy applies to Non-Executive Directors

3.0 DETERMINATION OF REMUNERATION

3.1 The Company’s Nominating and Remuneration Committee (“NRC”) sets and reviews periodically the remuneration of members of the Board in accordance with its terms of reference to ensure that the compensation packages are reflective of the Company’s demands, complexities, and performance as a whole as well as the skills and experience required, and in line with the strategic objectives of the Company which rewards contribution to the long-term success of the Company.

3.2 NRC is guided by the following principles prior its endorsement and recommendation to the Board, the remuneration to be paid to the individual Directors:

3.2.1 the demands, complexities and performance as a whole of the Company;

3.2.2 the level of responsibilities, the skills, expertise and experience required;

3.2.3 that the remuneration is set at a competitive level for similar roles and responsibilities within current market practices by comparable companies; and

3.2.4 that any such remuneration incentives do not conflict with the directors’ obligations to bring objectivity and independent judgment to the Company.

4.0 REMUNERATION STRUCTURE FOR DIRECTORS

4.1 The remuneration for Non-Executive Directors should reflect the Board’s responsibilities, expertise and complexity of the Company’s activities. Remuneration practice is consistent with recognised best practice standards for Non-Executive Directors’ remuneration and, as a Malaysia-listed company, the level and structure of Non-Executive Directors’ remuneration will primarily be compared against Malaysia best practice.

4.2 Directors’ remuneration is reviewed periodically by the Board through the NRC where it considers various factors including the Directors’ fiduciary duties, risks, time commitment and statutory duties as well as the relevant benchmark study. Non-Executive Directors do not vote on their own remuneration.

4.3 Remuneration is in the form of fees, payable monthly. The remuneration of Non-Executive Directors shall consist of fixed Directors’ fee, Board Committees’ fee and

the monthly fee covers meeting allowances for every Board or Board Committees' meeting attended.

4.4 Non-Executive Directors are not entitled to receive performance-based bonuses .

4.5 As a taxable service provider, a Non-Executive Director is liable to be a Service Tax registrant if there are reasonable grounds for believing that the total value of taxable services in that month and the eleven months immediately succeeding that month will exceed RM500,000. The Service Tax applicable on the remuneration payable to such Non-Executive Directors shall be borne by the Company at the prevailing rate of 6%, as stipulated under the Service Tax (Rate of Tax) Order 2018 or any other government service tax that maybe applicable from time to time.

4.6 The Chief Executive Officer / Executive Director and Alternate Director does not receive any Director's remuneration.

5.0 REVIEW OF POLICY

The NRC shall review and assess the effectiveness and continued relevance of this Policy periodically including annual salary/fee review.

Any revisions to the Policy as recommended by the NRC will be submitted to the Board for consideration and approval.