

**BP PLASTICS HOLDING BHD
(Company No. 644902-V)**

**DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION
POLICY**

1. Introduction

This policy sets out the criteria to be used in recommending the remuneration package of Executive Directors ("EDs"), Managing Director ("MD")/Chief Executive Officer ("CEO"), Non-Executive Directors ("NEDs") (collectively referred to as "**Directors**") and Senior Management of BP PLASTICS HOLDING BERHAD ("**BPPLAS**" or "the "**Company**") and is in line with the principles and practices of the Malaysian Code on Corporate Governance ("**MCCG**").

2. Objectives

This policy is designed with the aim to support the Company's key strategies and create a strong performance-oriented environment. The Remuneration Policy shall adhere to the following key principles:-

- 2.1. Determine the level of remuneration package of Directors and Senior Management;
- 2.2. Attract, develop and retain high performing and motivated Directors and Senior Management with a competitive remuneration package;
- 2.3. Provide a remuneration such that the Directors and Senior Management are paid a remuneration commensurate with the responsibilities of their position;
- 2.4. Provide an appropriate level of transparency to ensure the policy underlying Directors' and Senior Management's remuneration is understood by investors; and
- 2.5. Encourage value creation for the Company and its Stakeholders.

3. Remuneration Components

3.1 For Executive Directors/MD/CEO/Senior Management

The remuneration of EDs/MD/CEO/Senior Management is made up of basic salaries, bonus and fringe benefits.

3.1.1 Salaries

The fixed salary is determined according to:-

- The scope of the duty and responsibilities;
- The conditions and experiences required;
- The ethical values, internal balances and strategic targets of the Company;
- The corporate and individual performance; and
- Current market rate within the industry and in comparable companies.

3.1.2 Bonus

The bonus is granted to reflect the ED/MD/CEO/Senior Management's performance as well as Group results. A discretionary assessment is made to ensure that all factors which include measurable and not directly measurable are considered.

3.1.3 Other Benefits

The Company may provide competitive benefits to EDs/MD/CEO/Senior Management, such as a fully expensed car or cash alternative in lieu of car, company driver, fuel expenses, group hospitalisation insurance, private medical insurance, life insurance, and any other short-term and/or long-term incentive plans. Allowances relating to business expenses (i.e. entertainment and travel) incurred are reimbursed such that no additional compensation is given to the EDs/MD/CEO/Senior Management.

The EDs/MD/CEO/Senior Management concerned play no part in the decision of their own remuneration but may attend the Committee meetings at the invitation of the Chairman of the Nominating and Remuneration Committee ("NRC"), if their presence is required.

3.2 For Non-Executive Directors ("NEDs")

The remuneration of NEDs is made up of Directors' fees and meeting allowances. The level of remuneration for NEDs shall reflect the experience and level of responsibilities undertaken by the NED concerned. The remuneration of an NED shall not be based on commission, the percentage of profits, or turnover.

NEDs receive remuneration in the form of Directors' fees and meeting allowances (collectively, known as emoluments) as compensation for their services plus the reimbursement of expenses incurred, if any, in the course of performing their services.

The emoluments of NEDs are reviewed by the NRC and Board annually. Fees and any benefits payable to NED shall be subject to annual shareholders' approval at a General Meeting, where the proposed emoluments has been given in the notice convening the meeting. Based on recommendations from the NRC, the Board shall submit any adjustments in Directors' fees to the General Meeting for approval by shareholders.

NEDs are not entitled to receive performance-based bonuses nor participate in short-term and/or long-term incentive plans.

The determination of NED's remuneration is decided by the Board, as a whole and subject to shareholders' approval, with individual NED abstaining from discussion of his or her own remuneration.

4 Periodic Review and Disclosure

The NRC shall conduct a review on an annual basis of the criteria to be used in recommending the remuneration packages for EDs/MD/CEO/Senior Management and NEDs and recommend them to the Board for adoption. The NRC should promptly communicate the new changes or amendments of the criteria to the Board of Directors and Senior Management.

This policy shall be made available at the Company's website on www.bpplas.com.