

## 1.0 OBJECTIVE

- 1.1. This policy intends to establish Hua Yang Berhad's Directors and Senior Management remuneration framework, in order to attract talent as well as nurture and retain Directors with diverse background and experience and calibre group of competent and highly motivated Senior Management, aligning the policy to the business strategy and long-term objectives of Hua Yang Berhad ("the Company").

## 2.0 SCOPE

- 2.1 This policy governs the remuneration of Directors and Senior Management of Hua Yang Berhad. However, it is not applicable to Alternate Director(s).
- 2.2 This Remuneration Policy is approved by Hua Yang Berhad's Board on the recommendation of the Remuneration Committee.
- 2.3 The Remuneration Committee operates under the delegation of the Board to provide an oversight of the Company's remuneration packages on behalf of the Board.
- 2.4 The Remuneration Committee shall review and recommend to the Board, the remuneration packages of ED and Senior Management every year.
- 2.5 For Non-EDs, the Remuneration Committee shall review the remuneration packages of the Non-EDs annually and thereafter makes its recommendation to the Board for endorsement prior to tabling to the Company shareholders for their approval at general meetings.
- 2.6 A Director who is in any way, whether directly or indirectly, interested in the remuneration proposed to be accorded shall not participate in any discussion while the remuneration is being considered during the meeting and shall not vote on the proposed remuneration.

## 3.0 DEFINITIONS

- |                                |   |
|--------------------------------|---|
| "Board"                        | - Board of Directors of the Company                         |
| "Company"                      | - Hua Yang Berhad   |
| "Director's Fees"              | - Annual fees payable to the Directors                      |
| "Director's Meeting Allowance" | - Meeting allowance payable to Non-Executive Directors only |
| "ED"                           | - Executive Director(s)                                     |
| "Non-EDs"                      | - Non-Executive Director(s)                                 |
| "RC"                           | - Remuneration Committee                                    |
| "Senior Management"            | - Senior management personnel of the Company                |

## 4.0 REMUNERATION ELEMENTS & FACTORS UNDER CONSIDERATION

### 4.1 Executive Director

- 4.1.1 The recruitment of ED is not on a fixed term employment contract.
- 4.1.2 The remuneration of ED is made up of the following elements:
- 4.1.2.1 Basic salary and benefits
- Includes payment for performing the day job
  - Recognises status and responsibilities
  - Includes allowances such as car allowances, handphone allowances and such other allowances as may be approved by the Board.
- 4.1.2.2 Incentives
- Creates a performance culture to support operational objectives
  - Rewards achievements of annual targets by means of bonus payment.  
Amount of bonus payable to ED
- 4.1.3 Factors under considerations in determining the ED remuneration are:
- The demands and complexity of activities and performance of the Hua Yang Group of Companies ("Group")
  - The nature of job
  - The level of skills, expertise, experience and scope of responsibilities of the ED
  - The individual ED's performance indicators (KPI) in the job
  - The ED's overall contribution to Group's strategy and operations
  - Industry benchmark against companies of similar size and industry
  - The risk environment so as to ensure the remuneration does not encourage excessive risk-taking.
- 4.1.4 Remuneration of the ED shall be linked to the corporate and individual performance other than considering the remuneration paid to directors of other similar companies, whether in size and/or industries, the individual's performance and responsibility, market competitiveness as well as the Company's overall performance.

### 4.2 Non-Executive Directors (including Independent Directors) ("Non-EDs")

- 4.2.1 The remuneration of ED is made the following elements:
- 4.2.1.1 Annual directors' fees
- 4.2.1.2 Directors' meeting allowances based on per meeting day basis

4.2.2 In relation to the remuneration of the Non-EDs, the Remuneration Committee is further guided by:

- The Non-EDs' obligations to bring objectivity and independent judgment to the Board shall remain unchanged notwithstanding the amount of the remuneration package.
- The remuneration must not place an inappropriate burden to the Company's finances.
- The Remuneration Committee shall review the remuneration packages of the non-EDs annually and makes its recommendation to the Board. In conducting the review, the Committee may engage the services of an independent professional advisor.
- All remuneration to be paid to the Non-EDs must be tabled to the shareholders to Hua Yang Berhad for approval before payment pursuant to the provisions of the Companies Act 2016.

4.2.3 Payment of Non-EDs remunerations are in the following form:

- Annual Directors' Fees: Bank transfer
- Director's Meeting Allowance: Bank transfer

### **4.3 Senior Management**

4.3.1 The remuneration of Senior Management is made up of the following elements:

#### **4.3.1.1 Basic salary and benefits**

- Includes payment for performing the day job
- Recognises status and responsibilities
- Includes allowances such as car allowances, handphone allowances and such other allowances as may be approved by the Board.

#### **4.3.1.2 Incentives**

- Creates a performance culture to support operational objectives
- Rewards achievements of short-term targets (yearly targets) by means of bonus payment.
- Amount of bonus payable Senior Management including the general staff shall not exceed 5% of the profit after tax of the financial year of review.

DOCUMENT NO	HR
REVISION NO	01
EFFECTIVE DATE	21 March 2025
PAGE	04 of 04
REMUNERATION POLICY OF DIRECTORS AND SENIOR MANAGEMENT	

- 4.3.2 The remuneration of Senior Management is made up of basic salaries, discretionary bonus and etc, and is set according to:
- The nature of job
  - The level of skills, experience and scope of responsibilities of individual
  - The individual's performance indicators (KPI) in the job
  - The individual's overall contribution to Company's strategy and operation; and
  - The market and industry's rate
- 4.3.3 Remuneration of the Senior Management shall be linked to the corporate and individual performance other than considering the remuneration paid by similar companies, whether in size and/or industries, the individual's performance and responsibilities, market competitiveness as well as the Company's overall performance.

## 5.0 PROCEDURE DETAILS

### 5.1 Executive Director

- 5.1.1 The ED will be evaluated on a yearly basis by the Remuneration Committee based on the annual KPIs and targets set, as well as display of competencies corresponding to his job level.
- 5.1.2 The Remuneration Committee will discuss to finalise the proposed remuneration for the ED for the Board's approval.
- 5.1.3 The Chairman of RC will sign off the remuneration package for the ED before the new financial year begins.

### 5.2 Senior Management

- 5.2.1 The Senior Management who reports to the Executive Director (ED) are evaluated annually by the ED on the basis of annual KPIs and targets set, as well as level of competencies corresponding to their job levels.
- 5.2.2 Thereafter, the ED will make recommendations to the Remuneration Committee on the remuneration for the Senior Management.

## 6.0 INFORMATION FOR DISCLOSURE

The total remuneration of the Directors and ED on a named basis are disclosed in the Annual Report. For the Senior Management, the remuneration is stated on an aggregate basis.

## 7.0 REVIEW OF POLICY

The Remuneration Policy is to be reviewed by the Board annually or as and when required.