

**BERMAZ AUTO BERHAD**  
Registration No. 201001016854 (900557-M)  
(Incorporated in Malaysia)

**REMUNERATION POLICY**

**(A) DEFINITIONS**

“BAuto” or “Company”	: Bermaz Auto Berhad
“Board”	: Board of Directors
“Group”	: BAuto and its subsidiaries
“Policy”	: Refers to this Remuneration Policy
“Executive Director”	: A Director who assumes management responsibilities of the Company
“Non-Executive Director”	: A Director who is not involve in the management responsibilities of the Company
“Key Senior Management”	: The C-suites employees (who are not Directors), general managers of equivalent and any other persons whom the Board shall consider as being a key senior management

**(B) OBJECTIVES AND GUIDING PRINCIPLES**

1. The objectives of the Policy are: -
  - To review and recommend a competitive remuneration packages that are competitive to attract, develop and retain talented individuals to serve as Directors and Key Senior Management.
  - To remunerate and award Directors and Key Senior Management based on, among others, their respective achievements under the Key Performance Indicators (“KPI”), the Group’s performance and affordability.
  - To assist Directors and Key Senior Management in the execution of their responsibilities and fiduciary duties in steering the Group to achieve its long-term goals as well as to enhance shareholders’ value.
2. The Policy is to ensure that the remunerations commensurate with the relevant experience, expertise, reflects the level of responsibilities undertaken, and contributions made by Directors and/or Key Senior Management in the course of exercising their roles and duties in the Company.

**(C) REMUNERATION POLICY & PROCEDURES**

**1. Executive Directors**

The Board and the Nomination and Remuneration Committee (“NRC”) shall set up and agree on the policy framework, including the fee structure and level of remuneration for Executive Directors.

The Executive Directors’ remuneration packages shall mainly consist of basic salaries, other emoluments and benefits-in-kind such as company cars and drivers, medical benefits, and insurance coverage. In addition, share options and/or share grant under the Company’s Employees’ Share Scheme (“ESS”), if any, may be included as performance-based and/or long-term incentives.

The performance of Executive Directors is basically measured based on a holistic balanced scorecard approach comprising both financial and non-financial KPIs. The Executive Chairman will also be entitled to receive a contractual annual incentive of 8% of pre-tax profit of the Group (subject to a cap of RM2.0 million), as may be determined and approved by the NRC and the Board.

The NRC shall review and evaluate the achievement of the KPIs against an agreed performance standard for the Executive Directors and make recommendations to the Board for approval. Based on the recommendations of the NRC, the Board shall then deliberate and approve the remunerations of the Executive Directors. An Executive Director shall abstain from expressing any opinion, deliberation and/or recommendation in respect of his/her remuneration at the Board meeting. However, the Chairman of the Board or the NRC (as the case may be) may invite the Executive Director to attend such meeting if his/her presence is required by the other Board or NRC members.

Executive Directors' remunerations shall be disclosed on a named and individual basis both at the Company level and Group level. The remuneration breakdown shall include, among others, fees, allowances, salaries, bonus, benefits-in-kind and other emoluments. Such disclosure shall also include details of Directors who were appointed or resigned/retired during the reporting period.

## **2. Non-Executive Directors**

Non-Executive Directors receive remuneration in the form of fixed directors' fees and meeting allowances in the course of performing their services to the Company. Higher allowances may be payable to the Chairman of the Board and/or Board Committees to reflect the complexity and amount of preparation required in attending the meeting(s).

Non-Executive Directors' remuneration shall commensurate with the contribution and level of responsibilities undertaken. The remuneration of a Non-Executive Director shall not include commission, share of profits or turnover of the Group based on a certain percentage.

The NRC shall review the respective Non-Executive Directors' remuneration packages and recommend to the Board for its deliberation and approval. A Non-Executive Director shall abstain from expressing any opinion, deliberation and/or recommendation in respect of his/her remuneration package at the Board meeting. The Board will then deliberate and recommend the fee and other benefit(s) payable to the Non-Executive Director on a yearly basis to the shareholders for approval at the Annual General Meeting of the Company in accordance with Section 230 (1) of the Companies Act 2016.

Non-Executive Directors' remunerations shall be disclosed on a named and individual basis both at the Company level and Group level. The remuneration breakdown shall include, among others, fees, allowances, salaries, bonus, benefits-in-kind and other emoluments. Such disclosure shall also include details of Directors who were appointed or resigned/retired during the reporting period.

## **3. Key Senior Management**

Key Senior Management's remunerations mainly comprise of basic salaries, other emoluments and benefits-in-kind such as company cars, medical benefits and insurance coverage. The remuneration packages are reviewed annually during Company's annual performance review to reflect the level of responsibilities, and contributions made in order to retain high performing and talented individuals. The remuneration packages of Key Senior Management shall be reviewed, evaluated, and approved by the Executive Chairman and/or Group Chief Executive Officer.

The performance of key senior management is basically measured based on a holistic balanced scorecard approach comprising both financial and non-financial KPIs. The weighting for each KPI target may be adjusted and determined by the Executive Chairman and/or Group Executive Officer to accommodate the Group's aspiration and future directions.

The Executive Chairman and/or Group Executive Officer shall review, evaluate and approve the achievement of the KPIs against an agreed performance standard for the Key Senior Management.

#### **4. Directors and Officers (“D&O”) Liability Insurance**

The Directors are accorded with D&O Liability Insurance in respect of any liability (civil or criminal) arising from the course of discharging their respective duties as Directors and Officers of the Company provided that such liabilities were occasioned in good faith and not as a result of negligence default or breach of duty.

The D&O Liability Insurance premium shall be borne primarily by the Company. The said premium paid will not be included as part of the benefits awarded to the Directors in their remuneration packages.

#### **(D) REVIEW OF THIS POLICY**

The Policy will be amended and modified from time to time in line with any changes in relevant legislation, codes or regulations (in so far as they are applicable to the Policy and are mandatory), and all such amendments and modifications shall be deemed incorporated without the requirement for further approvals from the NRC and the Board. The NRC and the Board shall thereafter be duly informed of such amendments and modifications.

A copy of the Policy is available on the Company’s website at [www.bauto.com.my](http://www.bauto.com.my).

The Policy was approved and adopted by the Board on 12 December 2023. It was last revised and approved by the Board on 12 June 2018.