

**BERMAZ AUTO BERHAD**

Company No.: 900557-M

(Incorporated in Malaysia)

**REMUNERATION POLICY**

**(A) Objectives and Guiding Principles**

1. The objectives of the Company's remuneration policy are:-

- To review and recommend a competitive remuneration package that is competitive to attract, develop and retain talented individuals to serve as Directors and key senior management.
- To fairly supports the Directors and key senior management's responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value.

2. The Remuneration Policy's principle is to ensure the remuneration is commensurate with the relevant experience, expertise, reflects the level of responsibilities undertaken, and contributions made by Directors and key senior management in order to manage the business effectively.

**(B) Remuneration Policy & Procedures**

**1. Executive Directors**

Remuneration Committee and the Board shall set up and agree on the policy framework, including the fee structure and level of remuneration for Executive Chairman, Executive Directors and key senior management.

The Executive Chairman ("EC") and Chief Executive Officer ("CEO")'s remuneration package consists of basic salary, other emoluments and benefits-in-kind such as company

car and driver, medical benefits and insurance coverage. The Company also rewards the EC and CEO with options under the Employee Share Scheme (“ESS”) as Long-Term Incentive.

The remuneration package for the EC and CEO depends on the performance of the Group during the financial year which includes revenue and pre-tax profit. The EC also receives contractual incentive of 8% pre-tax profit of the Group subject to a cap of RM2.0 million a year, as determined by the Board of Directors and the Remuneration Committee.

The EC and CEO shall not participate in the decision of their own remuneration. However, in event where the presence of EC and CEO are required, the Chairman of the Remuneration Committee may invite the EC and CEO to attend to such meeting.

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

Non-Executive Directors receive remuneration in the form of Directors’ fees and meeting allowance in the course of performing their services. Higher allowance is payable for Chairman of the Board / Board Committees to reflect the complexity and amount of preparation required in attending the meeting.

Non-Executive Directors remuneration commensurate with the contribution and level of responsibilities. The remuneration of a Non-Executive Director shall not include commission, percentage of profits, or turnover.

The Remuneration Committee is responsible to review Non-Executive Directors’ remuneration packages and recommend to the Board for their consideration and adoption. The respective Directors shall abstain from deliberations and voting on decisions in respect of their own remuneration packages. The Board will then recommend the Directors’ fees and other benefits payable to Non-Executive Directors on a yearly basis to the shareholders for approval at the Annual General Meeting (“AGM”) of the Company in accordance with Section 230 (1) of the Companies Act, 2016.

### **3. Key Senior Management**

Key senior management's remuneration comprises of basic salary, other emoluments and benefits-in-kind such as company car, medical benefits and insurance coverage. The remuneration package of senior management is 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.

Key senior management team shall refer to those individuals(s) who generally holds the highest level of management responsibility and decision making authority within the Group. This will typically include the C-suites employees (who are not director) and any other persons whom the Directors shall consider as being the key senior management.

#### **(C) Remuneration Approval Process**

The performance of the Executive Directors and key senior management are reviewed annually by the Chairman of the Remuneration Committee and Executive Directors respectively based on responsibilities and contributions in order to determine the recommendation on their remuneration levels.

#### **(D) Review of This Policy**

This policy is subject to regular review by the Remuneration Committee and will be amended as appropriate to align with the current market practices and requirements of the Malaysian Code on Corporate Governance and any other new requirements. Amendment to this policy must be submitted to the Board for approval.

Disclosure of Directors' remuneration shall be made available via the corporate governance statement of the Company's Annual Report. Such report shall include details of the Directors' remuneration in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad.