



HARTANAH KENYALANG BERHAD

[Registration No: 202401034991 (1580838-V)]

REMUNERATION POLICY

1. INTRODUCTION

This Remuneration Policy (“Policy”) sets out the criteria to be used in administering the remuneration packages for Directors and Senior Management of Hartanah Kenyalang Berhad (the “Company”).

2. OBJECTIVES

The Policy is designed to meet the following objectives: -

- (a) To attract talent as well as motivate, retain and reward Directors and Senior Management.
- (b) To determine the level of remuneration packages for Directors and Senior Management that are commensurate with their responsibilities, demands, complexities and performance of the Company.
- (c) To ensure that the remuneration packages remain competitive with the relevant industry and market.
- (d) To align the interests of the Company with the long term interest of the shareholders.

3. SCOPE AND APPLICATION

This Policy is developed in line with Practice 7 of the Malaysian Code on Corporate Governance (“MCCG”) and is intended to provide guidance for the Board and the Nomination and Remuneration Committee (“NRC”) in determining the remuneration of individual Directors and Senior Management.

This Policy should be read together with the following relevant legislations:

- Companies Act 2016;
- Ace Market Listing Requirements (“Listing Requirements”); and
- Capital Markets and Services Act 2007 (Amendment 2012);

In the event that there is a conflict between the contents of this Policy and the aforementioned legislations, the said legislations shall prevail.

4. REMUNERATION POLICY & PROCEDURES

4.1 Executive Directors and Senior Management

The remuneration package of Executive Directors and Senior Management shall consist of basic salaries and benefits.

(a) Salaries

- (i) The salary levels take into account the following: -
 - Nature of the role including responsibility and complexity;

- Performance of the business and the individual; and
 - Level of skills and experiences.
- (ii) Salaries payable to Executive Directors shall not include a commission on or percentage of turnover.
- (iii) In formulating the salaries, the NRC shall benchmark against companies of similar size, industry, geographic spread and business dynamics to the Company.
- (iv) The amount of the base salary for Executive Directors and Senior Management will usually be adjusted on discretionary increment. The Board may contemplate various factors when deciding whether to adjust the basic salary.
- (v) No Director shall participate or vote on the deliberations and decision concerning their own remuneration.

(b) Benefits

- (i) Executive Directors and Senior Management are entitled to benefits such as allowances, benefits in kind, bonuses, performance incentives payments, those provided to employees of the Company, and other additional benefits as approved by the Board.
- (ii) Executive Directors may receive pension, gratuity or other benefits upon retirement if such benefits are specified as terms of their appointment.
- (iii) Allowances relating to business expenses (such as entertainment and travel) incurred are reimbursed in such a way as to give rise to no additional compensation to the Executive Directors and Senior Management. All claims for reimbursements must be accompanied with receipts and shall be submitted for processing on a timely basis.

(c) Performance-based Remuneration

- (i) Performance-based remuneration (such as short term incentive and/or long term incentive) is dependent on the following: -
- Individual overall contribution to the Company; and
 - Achievement of annual financial, operational and performance of the Company.
- (ii) The performance-based incentive is determined in a manner which promotes sound risk management and does not induce excessive risk-taking. The Company shall take into account various factors including:
- The level of Company's available cash and cash equivalents;

- Projected levels of expenditure to undertake new projects or investment by the Company; and
 - Meeting the expectations of shareholders.
- (iii) The remuneration is based on performance against annual measures and targets set at the start of the year which is then evaluated at the end of the financial year.
- (iv) The Board shall adjust the performance-based remuneration annually based on the fair value of the achieved target level.
- (v) For the avoidance of doubt, Executive Directors who are full-time employees of the Company shall receive no additional compensation for serving as a Director.

4.2 Non-Executive Directors

The remuneration of the Non-Executive Directors shall consist of fixed annual directors' fees and meeting allowances.

(a) Fee

- (i) Remuneration is in the form of fixed fees, payable annually and not by a commission on or percentage of profits or turnover.
- (ii) The Non-Executive Directors are not entitled to receive performance-based bonuses nor participate in short-term and/or long-term incentive plans.
- (iii) In recommending the fees, the NRC shall develop a remuneration structure that is commensurate with the Non-Executive Directors' responsibilities at both the Board and Board Committee level and is sufficient to attract, incentivise and retain high-calibre Non-Executive Directors.
- (iv) The remuneration shall be determined based on the Non-Executive Director's qualification, experience, level of responsibility, competence, time commitment and outcome of the annual evaluation as conducted by the NRC.
- (v) The NRC shall also take into account fee levels and trends for similar Non-Executive Directors positions in the market.
- (vi) The level and structure of Non-Executive Directors' remuneration is reviewed by the NRC who will make recommendations to the Board.
- (vii) Non-Executive Directors do not vote on their own remuneration, or Directors who are shareholders who have a nominee or connected Director on the Board should refrain from voting on the resolution to approve Directors' fees at the Annual General Meeting.

(b) Benefits

- (i) Benefits may be provided to increase the economic security of Non-Executive Directors as an incentive to attract and retain talent.
- (ii) Non-Executive Directors may be provided with benefits such as medical benefits and life insurance.
- (iii) Expenses (i.e., travel expenses) incurred by Non-Executive Directors in discharging their duties relating to the ordinary course of the Company's affairs shall be reimbursed accordingly upon approval. All reimbursements must be accompanied with the claimable receipts and shall be submitted for processing on a timely basis.

(c) Allowance

- (i) Non-Executive Directors shall receive meeting allowance for the purpose of attending Board or Committee meetings. Meeting allowance is provided for every Board and Board Committee meeting attended.

5. REVIEW OF THIS POLICY

The NRC is responsible for regular review of the Policy and making any recommended changes to the Board for approval as and when necessary.