



DIRECTORS AND SENIOR MANAGEMENT'S REMUNERATION POLICY

1. Introduction

- 1.1. Unitrade Industries Berhad and its subsidiaries ("**the Group**") believes in the importance of fair remuneration towards attracting and retaining talent to its Board of Directors (the "**Board**") and key senior management ("**Management**").
- 1.2. Practices 7.1 and 7.2 of the Malaysian Code on Corporate Governance 2021 ("**MCCG**") recommend that the Board should establish a policy formalising its approach to determine the remuneration package which takes into account the demands, complexities and performance as well as skills and experience of the Directors and Management.

2. Objectives

- 2.1 This Directors and Senior Management's Remuneration Policy ("**Policy**") provides a guidance for the Board and the Remuneration Committee ("**RC**") in determining the remuneration of individual Directors and Management and create a strong performance-oriented environment which is able to attract, motivate and retain talent.
- 2.2 This policy sets out the criteria to be used in recommending the remuneration package of the following personnel of the Group:-
 - i) The Non-Executive Director(s) ("**NED(s)**");
 - ii) The Executive Director(s) and Managing Director ("**ED(s)**");
 - iii) The Management which comprises Group Managing Director, Chief Financial Officer, Chief Operating Officer, Chief Marketing Officer.
- 2.3 Key principle that the Policy adhere to:-
 - i) total remuneration shall be set at competitive level with the relevant market and industry, and in consideration the Group's performance in managing material sustainability risks and opportunities.
 - ii) performance-based basis applied to EDs of the Group.
 - iii) incentive plans, performance measures and targets shall be aligned with shareholders' interest in mind.
 - iv) an appropriate level of transparency underlying EDs', NEDs' and Management's remuneration is understood by shareholders.
 - v) ensure a level of equity and consistency.
 - vi) remuneration should reflect the different roles and responsibilities of EDs, NEDs and Management.
- 2.4 The RC is empowered to make a qualitative and quantitative assessment of performance in reaching its recommendations. The RC is also empowered to provide appropriate disclose of their assessment, if required, so that shareholders can understand the basis of its recommendation.



3. Remuneration Components

3.1 Remuneration for Eds

a) Salary

The fixed salary is determined according to:

- The scope of the duty and responsibilities;
- The condition and experiences required;
- The ethical values, internal balances and strategic targets of the Group;
- The corporate and individual performance;
- Current market rate within the industry and in comparable companies as well as other companies of a similar size, geographic spread and business dynamics to the Group;
- The scale and complexity of both the business and the role; and
- The prevailing financial position of the Group.

The EDs play no part in the decision of their own remuneration but may attend the RC meetings at the invitation of the Chairman of the RC, if their presence is required.

b) Benefits

EDs are entitled to receive those benefits available to the Group. The said benefits include group insurance coverage, medical benefits, motor vehicle related benefits and annual leave. EDs may receive other benefits that are appropriate in terms of the individual's role, for example annual leave passage.

c) Bonus

To provide variable remuneration dependent on performance against annual financial, operational and employee engagement measures.

The bonus is generally based on performance against annual measures and targets set at the start of the financial year, evaluated at the appropriate intervals and end of the financial year.

The bonus of Eds are tied to audited Profit After Tax of the immediate preceding financial year. The level of bonus payable may vary depending on the job performance.



3.2 Remuneration for NEDs

a) Director's fee

The fixed Director's fee is determined according to:

- i) current market rate in similar industries;
- ii) reflect the qualifications and contribution required in view of the Group's complexity;
- iii) the extent of the duty and responsibilities;
- iv) the number of Board meetings attended by Directors during the financial year; and
- v) the corporate and individual performance.

The level and structure of NEDs' remuneration are reviewed and recommended by the RC to the Board. NEDs shall abstain from the deliberation and voting on their own remuneration. The determination of NEDs' remuneration is decided by the Board, as a whole and subject to shareholders' approval, with individual Directors abstaining from discussion of his own remuneration.

b) Allowance

NEDs receive an allowance, which is paid in cash, for the purpose of attending board and committee meetings.

3.3 Remuneration for the Management

a) Salary

The fixed salary is determined according to:

- The scope of the duty and responsibilities;
- The condition and experiences required;
- The ethical values, internal balances and strategic targets of the Group or Company, where applicable;
- The corporate and individual performance;
- Current market rate within the industry and in comparable companies as well as other companies of a similar size, geographic spread and business dynamics to the Group;
- The scale and complexity of both the business and the role; and
- The prevailing financial position of the Group or Company, where applicable.

The Managing Director in consultation with Senior Manager of Group Human Resources recommend the remuneration of Management to the RC for consideration and subsequent recommendation to the Board for approval.



b) Benefits

The Management is entitled to receive those benefits available to the Group/Company. The said benefits include group insurance coverage, medical benefits, motor vehicle related benefits and annual leave.

c) Bonus

To provide variable remuneration dependent on performance against annual financial, operational and employee engagement measures. The bonus is based on performance against annual measures and targets set at the start of the financial year, evaluated at the appropriate intervals and end of the financial year.

The level of bonus payable may vary depending on the job performance.

3.4 Other benefits and allowances

The benefits and allowances which should be decided by the Board as a whole upon recommendation of the RC include:

- i) Meeting allowance;
- ii) Expenses incurred in the course of their duties as Directors; and
- iii) Benefit in kind such as motor vehicle, petrol, driver and accommodation and such other benefits deemed appropriate and in line with industry standards.

4. Remuneration Policy and Procedures

- a) The annual salaries, incentive arrangements, service arrangements and other employment conditions for the EDs and/or Management are to be reviewed by the RC and recommend to the Board for approval.
- b) Management who reports to the Managing Director are evaluated annually by the Managing Director premised on annual measurements and targets set. Thereafter, the Managing Director recommend the remuneration of Management to the RC for consideration and subsequent recommendation to the Board for approval.
- c) EDs and Management's Remuneration Policy is in line with the Group's business strategy and long-term objective and overall practice on compensation and benefits, which is to reward employees competitively, taking into account performance, market comparisons and competitive pressures in the industry.
- d) The Company's Remuneration Policy for NEDs is to develop a remuneration structure that is commensurate with the NEDs' responsibilities at both the Board and Board Committee level.



- e) Fees payable to NEDs shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. For meeting allowance, no distinction shall be made between participation in person and virtual participation by teleconference or other electronic mode that permits NEDs to participate. Virtual participation during meetings will constitute attendance and meeting allowance will be accorded accordingly.

5. Disclosure

- a) The Board shall make appropriate disclosures in the Annual Report regarding the remuneration of Directors in accordance with Appendix 9C, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and Practice 8.1 of the MCCG.
- b) The remuneration of Directors shall be disclosed on named basis with categorisation into appropriate components (e.g. Directors' fees, salaries, percentages, bonuses, commission, compensation for loss of office, benefit in kind based on an estimated money value) in the Annual Report and Corporate Governance Report.
- c) The remuneration of the top five Management shall be disclosed in bands of RM50,000 and in components including salary, bonus, benefits in-kind and other emoluments in the Annual Report and Corporate Governance Report.

6. Review of Policy

- a) The RC should conduct a periodic review once every three (3) years or as and when required of the criteria to be used in recommending the remuneration package of Directors and/or Management. Any requirement for amendment shall be deliberated by the RC, and any recommendation for revisions shall be presented to the Board for approval.
- b) Upon the Board's approval, the said revision or amendment shall form part of this Policy and this Policy shall be considered duly revised or amended.
- c) This policy is reviewed and approved by the Board of Directors on 28th November 2022.