

## **REMUNERATION FOR DIRECTORS AND SENIOR MANAGEMENT**

### **A. INTRODUCTION**

This policy is adopted by the Board of Directors (“the Board”) of the Company by resolution passed on 31 May 2018 to establish a formal and transparent procedure for developing the Company’s policy and structure for the remuneration of all Directors and Senior Management, such that the remuneration packages offered by the Company would be competitive, adequate and in line with prevailing market practices and that the Company attracts, retains and motivates the Directors and Senior Management with strong credentials, high calibre and astute insights to run the business of the YLI Group successfully.

### **B. PROCEDURE FOR DEVELOPING REMUNERATION POLICY**

This policy is developed by the Management and adopted by the Board based on the recommendation of the Remuneration Committee.

### **C. APPLICABILITY OF THIS POLICY**

The personnel to which this policy applies are:

- i. Executive Directors and Non-Executive Directors; and
- ii. Senior Management

### **D. REMUNERATION STRUCTURE**

The remuneration package comprises fixed and variable components, ensuring an appropriate and balanced remuneration package that links shareholders’ interests with those of Directors and employees.

#### **i. Fixed Components**

**Basic Salary or Director’s Fee (for the Company and/or its subsidiaries):** Basic Salary or Director’s Fee is determined on the basis of the expectation of Senior Management or Directors, job nature of the position, including responsibility, complexity, the remuneration packages offered by companies comparable to the Company and other market conditions.

**Contractual Bonus (for the Company and/or its subsidiaries):** Contractual Bonus may be applicable where such term is included as part of the Service Contract of the Executive Director concerned.

## **ii. Variable Components for Executive Directors and Senior Management, if applicable**

Performance-based remuneration (for the Company and/or its subsidiaries): includes performance bonus (or appreciation gratuity in lieu of performance bonus in a net loss situation) which is awarded on a discretionary basis to motivate and reward good/outstanding performance. The award of variable component will also take into consideration the ease with which the Executive Directors and Senior Management can be replaced (i.e. as an incentive to retain talents) and the overall remuneration package of the Executive Directors and Senior Management (i.e. variable component may be awarded in lieu of a basic salary increment in a net loss situation).

## **iii. Other Benefits for Executive Directors and Senior Management, if applicable**

Employee's Provident Fund (for the Company and/or its subsidiaries): apart from the contribution made in accordance with the scale provided by the Employee's Provident Fund, voluntary contribution from the Company and its subsidiaries may be made as a kind of long-term benefits; and

Other Benefits: which may include Company Car & Driver, Handphone, Laptop, Personal Accident & Hospital & Surgical Insurances, Annual Leave Passage and other benefits which may be included in the Letter of Appointment and/or Service Contract upon deliberation by the Remuneration Committee and approval by the Board of Directors.

## **iv. Non-Executive Directors**

Non-Executive Directors receive a fixed Director's fee, a fee for acting as a Chairman of the Board and the Audit Committee, Monthly Director's Allowance, Meeting Allowance, Annual Leave Passage as well as other allowances which may be included upon deliberation by the Remuneration Committee and approval by the Board of Directors.

## **E. CONFIDENTIALITY**

It is the Company's policy that remuneration information is strictly confidential and restricted only to authorized personnel of the Company.

## **F. REVIEW OF THIS POLICY**

The Company through the Remuneration Committee should review or, if necessary, further develop this Policy from time to time to ensure that it is in line with current market practices and requirements of the Malaysian Code of Corporate Governance 2017. Any amendment to this Policy must be submitted to the Board for approval.