



SINARAN ADVANCE GROUP BERHAD
[Registration No. 202001007513 (1363833-T)]
(Incorporated in Malaysia)

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION POLICY

1. INTRODUCTION

The Directors' and Senior Management's Remuneration Policy ("the Policy") sets out the criteria to be used in recommending the remuneration package of Executive Directors, Non-Executive Directors and Senior Management of Sinaran Advance Group Berhad ("the Company") and is in line with the best practice provisions of the Malaysian Code on Corporate Governance.

2. OBJECTIVES

This Policy is designed to:

- (a) determine the level of remuneration of Executive Directors, Non-Executive Directors and Senior Management;
- (b) attract, develop and retain high performing and motivated Executive Directors, Non-Executive Directors and Senior Management with a competitive remuneration package;
- (c) provide a remuneration such that the Directors and Senior Management are paid a remuneration commensurate with the responsibilities of their position; and
- (d) encourage value creation for the Company and its stakeholders.

3. REMUNERATION COMPONENTS

3.1 For Executive Directors and Senior Management

3.1.1 The fixed salary is determined according to:

- The scope of the duty and responsibilities;
- The conditions and experiences required;
- The ethical values, internal balances and strategic targets of the Company;
- The corporate and individual performance; and
- Current market rate within the industry and in comparable companies.

3.1.2 Bonus

The bonus is designed to reward outstanding performance. The bonus is granted to reflect the performance of the Executive Director and Senior Management as well as the Company's and its subsidiaries' financial results. A discretionary assessment is made

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to ensure that all factors which include measurable and not directly measurable are considered.

3.1.3 Other benefits

The Company may provide competitive benefits to Executive Directors and Senior Management, such as allowances, a fully expensed car or cash alternative in lieu of car, company driver, fuel expenses, group hospitalisation insurance, private medical insurance, life insurance, and any other short-term and/or long-term incentive plans.

The Executive Directors and Senior Management are granted share options under the Employees' Share Option Scheme ("**ESOS**") of the Company approved by shareholders of the Company.

3.2 For Non-Executive Directors

3.2.1 The fixed fee (Directors' fees) is determined according to:

- On par with the rest of the market;
- Reflect the qualifications and contribution required in view of the Group's complexity; and
- The extent to the duty and responsibilities.

3.2.2 Benefits

The Non-Executive Directors receive the benefits such as meeting allowance, for the purpose of attending Board of Directors ("**Board**") and Board Committee Meetings and General Meetings.

The Non-Executive Directors are not entitled to receive performance-based bonuses or participate in short-term and/or long-term incentive plan, e.g. ESOS, except in pursuant to a resolution passed at a General Meeting of the Company.

4. PROCEDURES

4.1 The Board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board and Senior Management. The Remuneration Committee has its written Terms of Reference which deals with its authority and duties and the Terms of Reference is published on the Company's corporate website.

4.2 Each Remuneration Committee Members and each Director should abstain from discussion and voting on any resolution in respect of his/her own remuneration package during the Remuneration Committee Meeting and Board Meeting respectively. Directors who are shareholders should abstain from voting at General Meetings to approve their fees and benefits.

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Similarly, Executive Directors should not be involved in deciding their own remuneration.

- 4.3 The Directors' fees and any benefits payable to the Non-Executive Directors of the Company are reviewed by the Remuneration Committee annually. Based on the recommendation from the Remuneration Committee, the Board shall review and recommend the Directors' fees and any benefits payable to the Non-Executive Directors of the Company, to the shareholders for approval at a General Meeting.

5. PERIODIC REVIEW AND DISCLOSURE

- 5.1 The Remuneration Committee should conduct a periodic review of the criteria and procedures to be used in the recommending the remuneration packages of Executive Directors, Non-Executive Directors and Senior Management. The Remuneration Committee should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.
- 5.2 The detailed disclosure allows shareholders to make an informed decision when voting on the approval of Directors' remuneration and to consider the appropriate remuneration package taking into account the responsibilities of the Directors.
- 5.3 The disclosure of how the remuneration is measured allows stakeholders to understand the link between Senior Management and the Company's performance. This will also enable stakeholders to determine whether the remuneration is fair and able to attract and retain talent.
- 5.4 The Board should disclose this Policy in the annual report of the Company and/ or the corporate website of the Company where applicable.

6. REVIEW OF THE POLICY

The Remuneration Committee will review regularly and assess the effectiveness of the Policy. Any requirement for amendment shall be deliberated by the Remuneration Committee and any recommendation for revisions shall be highlighted to the Board for approval.

The Policy was reviewed and adopted by the Board of Directors on 19 April 2024.