



# **Hubline Berhad**

Registration No. 197501001462 (23568-H)

(Incorporated in Malaysia)

# **Remuneration Policy and Procedures for Directors and Senior Management**

## **1. INTRODUCTION**

- 1.1 The Remuneration Policy and Procedures for Directors and Senior Management ("Policy") establishes a formal and transparent procedure for developing a structure for the remuneration of Directors and Senior Management of Hubline Berhad ("Company") in line with the recommendation and the best practices under the Malaysian Code of Corporate Governance ("MCCG") and to encourage value creation for the Company by aligning the interests of Directors and Senior Management with the long-term interests of shareholders of the Company.
- 1.2 The objective of the Policy is to provide a formal structure on which the level of remuneration for Directors and Senior Management will be based on for the purpose of attracting, motivating, rewarding and retaining high performing, exceptional, experienced and qualified individuals in pursuing and supporting the Company's profitability, performance, strategies, business sustainability and growth.

## **2. SCOPE AND APPLICATION**

- 2.1 The Policy covers the remuneration of the following:
- (i) Executive Director(s);
  - (ii) Non-Independent, Non-Executive Director(s);
  - (iii) Independent, Non-Executive Director(s);
  - (iv) Senior Management – C-Suite Officers including but not limited to Chief Executive Officer, Chief Financial Officer, Chief Operating Officer as well as Managing Director(s) and General Manager(s) who are not holding a position as a Director of the Company.
- 2.2 The Policy should be read together with the relevant section(s) encapsulated in the following legislations:
- (i) Companies Act 2016;
  - (ii) Capital Markets and Services Act 2007 (Amendment 2012); and
  - (iii) Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

Where there is a conflict between the contents of the Policy and the above-mentioned legislations, the relevant section(s) contained in the above-mentioned legislations shall prevail.

### **3. REMUNERATION PRINCIPLES AND COMPONENTS**

3.1 The Board (i.e. the Board of Directors of the Company) has in place policies and procedures to determine the remuneration of Directors and Senior Management, which takes into account the demands, complexities and performance of the Company as well as skills, responsibilities, contributions, qualifications and experience required.

3.2 Fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to Executive Directors may not include a commission or percentage of turnover.

3.3 The fees of Directors shall be subject to annual shareholder approval at an Annual General Meeting.

#### **3.4 Executive Directors:**

The remuneration of Executive Directors is made up of the following components:

- (i) Fixed salary which is subject to annual review and determined according to the nature of the job, level of skill, qualification and experience required, scope of duties, responsibilities, accountability, time commitment, special assignment and complexity shouldered, while taking into consideration the level of corporate and individual performance, the individual's overall contribution to the Company's strategy and operation and where practicable the current market rates within similar industry and in comparable companies;
- (ii) Performance based bonus (in the form of cash or in kind) is designed to reward and motivate excellent performance against the Company's results, performance and targets, as well as the individual performance of Executive Directors. Bonus shall not be guaranteed, except in the context of sign-on bonus;

- (iii) Directors' fees, subject to annual approval by shareholders;
- (iv) Contributions to statutory bodies including Employees Provident Fund ("EPF"), Social Security Organisation ("SOCSO") and Employees Insurance Scheme ("EIS");
- (v) Employees Share Option Scheme ("ESOS"), where applicable; and
- (vi) Benefits-in-kind and allowances including but not limited to:
  - (a) Company car including driver;
  - (b) Mobile devices related benefits;
  - (c) Medical benefits; and
  - (d) Reimbursement of entertainment, travel and other expenses incurred while performing their duties.

### 3.5 Non-Independent, Non-Executive Directors and Independent, Non-Executive Directors:

The remuneration of Non-Independent, Non-Executive Directors and Independent, Non-Executive Directors are made up of the following components:

- (i) Directors' fees, subject to annual approval by shareholders and where practicable the current market rates within similar industry and/or companies of similar size or operating in the same geographical location;
- (ii) ESOS, where applicable; and
- (iii) Reimbursement of expenses incurred while representing the Company in performing their duties.

### 3.6 Senior Management:

The remuneration of Senior Management executives and officers are made up of the following components:

- (i) Fixed salary which is subject to annual review and determined according to the nature of the job, level of skill, qualification and experience required, scope of duties, responsibilities, accountability, time commitment, special assignment and complexity shouldered, while taking into consideration the level of corporate and individual performance, the individual's overall contribution to the Company's strategy and operation and where practicable the current market rates within similar industry and in comparable companies;
- (ii) Performance based bonus (in the form of cash or in kind) is designed to reward and motivate excellent performance against the Company's results, performance and targets, as well as the individual performance of Senior Management. Bonus shall not be guaranteed, except in the context of sign-on bonus;
- (iii) Contributions to statutory bodies including EPF, SOCSO and EIS;
- (iv) ESOS, where applicable; and
- (v) Benefits-in-kind and allowances (as agreed) including but not limited to:
  - (a) Company car including driver;
  - (b) Medical benefits; and
  - (c) Reimbursement of entertainment, travel and other expenses incurred while performing their duties.

#### **4. APPROVALS**

- 4.1 The remuneration for Executive Directors, other than Directors' Fees, and Senior Management is evaluated annually by the Remuneration Committee which thereafter makes appropriate recommendations for Board approval. The individual Director concerned abstains from deliberation of his or her own remuneration but may attend the Remuneration Committee meeting at the invitation of the Remuneration Committee Chairman, if their presence is required.

- 4.2 The Board reviews the remuneration for Non-Executive Directors annually having regard to the recommendations of the Remuneration Committee. The remuneration for Non-Executive Directors is determined by the Board as a whole and is subject to shareholders' approval at an Annual General Meeting.
- 4.3 The fees of the Directors and any benefits payable to Non-Independent, Non-Executive Directors and Independent, Non-Executive Directors shall be approved at an Annual General Meeting.

## **5. REVIEW AND AMENDMENTS TO THE POLICY**

- 5.1 The Policy is subject to periodic review by the Remuneration Committee of the Company and shall be updated periodically where necessary to ensure that it is in line with current market practices and needs.
- 5.2 The Policy and any subsequent revisions as recommended by the Remuneration Committee are subject to approval by the Board.
- 5.3 The Policy and any subsequent revisions shall be disclosed on the Company's website.