

# SUNWAY BERHAD

(Company No. 921551-D)

## REMUNERATION POLICY FOR DIRECTORS

### 1. INTRODUCTION

The Remuneration Committee (“the Committee”) of Sunway Berhad (“Company”) is responsible to ensure that Directors are fairly remunerated for their responsibilities and contributions to the Company’s overall performance and the levels of remuneration should be sufficient to attract and retain Directors of high caliber. The objective of this policy is to outline the principles for the Committee to determine and propose an appropriate level of remuneration for the Directors.

### 2. EXECUTIVE DIRECTOR(S) REMUNERATION STRUCTURE

#### 2.1. Company Performance

The remuneration structure is designed to ensure alignment with shareholders’ interest in driving the Company’s performance via pay-for-performance principle.

#### 2.2. Fixed components

Fixed monthly salary for Executive Director(s) is set according to:

- Job nature of the position including responsibility, complexity
- Level of skills and experiences
- Other market conditions

#### 2.3. Variable components

Performance-based remuneration e.g. short term incentive - bonus, long term incentive – share options, if any, are determined based on:

- Individual performance indicators
- Individual overall contribution to the business

Goals and performance expectation are set at the beginning of the year and will be reviewed mid and end of the year. The Company adopts pay-for-performance philosophy. There is a transparent performance-linked rewards framework in place.

#### 2.4. Benefits components

- Common benefits e.g. annual leave, Employee Provident Fund (EPF), medical and life insurance, staff purchase discounts.
- Perquisites e.g. company car / car allowance, club subscription, driver.

## **2.5. Non-Executive Director**

The remuneration for Non-Executive Directors should reflect the Board's responsibilities, expertise and complexity of the Company's activities. The remuneration of Non-Executive Directors shall consist of fixed Directors' fee and Board Committees' fee per annum and meeting allowances for every Board or Board Committees' meeting attended. Their remuneration are reviewed annually by the Committee and the Board. The reviews are conducted with reference to the companies of similar industries or data based on survey results released by consulting or accounting companies e.g. KPMG, PwC. The fees of the Directors and benefits payable to the Directors are subject to the Company's shareholders' approval.

## **3. BENCHMARKING AND ANNUAL REVIEW**

As a good practice, the Company participates in total rewards survey exercises organized by the consulting companies every year. The data or results released by the consulting companies will then be used as the data sources for benchmarking exercises. The benchmarking exercises are conducted to assess the Company's competitiveness level in the market.

For Executive Director(s) level, the Company uses a bonus framework developed by a credible consulting company as a guideline for base recommendation. On top of this, the Company refers to the annual report disclosure of the companies in similar industries or scale e.g. financial, conglomerate, as another source to get the benchmarking information.

Taking into consideration the Company's overall performance, benchmarking information from annual reports and supported by a structured bonus framework, the Committee will then review and make informed decisions on the remuneration package of the individual Director.