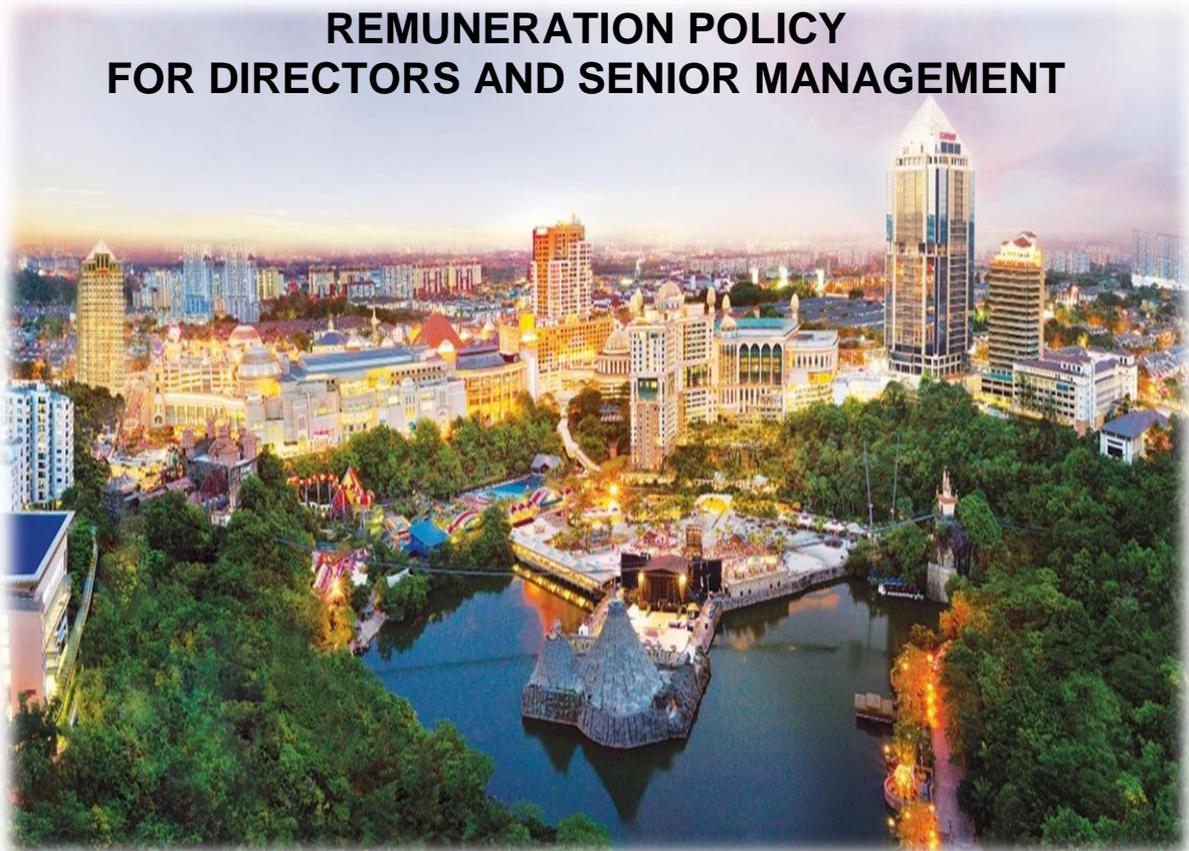


# **SUNWAY REIT MANAGEMENT SDN BHD**

**(Company No. 806330-X)**

**(Manager for Sunway Real Estate Investment Trust)**

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



As at 3 May 2018

## TABLE OF CONTENTS

|  | <b>Page</b> |
|--|-------------|
| 1. Introduction  | 1           |
| 2. Remuneration Structure for Non-Executive Directors  | 1           |
| 3. Remuneration Structure for Executive Director and Senior Management                                       | 2           |
| 4. Benchmarking and Annual Review of the Remuneration Structure for Executive Director and Senior Management | 3           |
| 5. Review of the Policy  | 3           |

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**1. INTRODUCTION**

The Nomination and Remuneration Committee (the “**Committee**”) of Sunway REIT Management Sdn Bhd (“**Company**”) is responsible to review and recommend to the Board of Directors (“**Board**”) the remuneration for the Non-Executive Directors, Executive Director and Senior Management with the aim of attracting, retaining and motivating individuals of good caliber to drive and pursue the long term growth objectives of the Company.

Senior Management shall refer to the Chief Executive Officer and Chief Financial Officer of the Company, or by whatever name called.

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 and Senior Management.

**2. REMUNERATION STRUCTURE FOR NON-EXECUTIVE DIRECTORS**

The remuneration for Non-Executive Directors should take into account fee levels and trends for similar positions in the market and the time commitment required from the Non-Executive Directors as well as additional responsibilities undertaken by the Non-Executive Directors.

The Non-Executive Directors shall be:

- (i) paid by way of fixed annual board fee, and committee fee for either being the chairperson or member of the Audit Committee for their services rendered;
- (ii) paid meeting attendance allowance for each Board and Board Committee meetings attended; and
- (iii) reimbursed for all their travelling, hotel and other expense properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending the meetings of the Board or any Board Committees of the Company.

The payment of the Directors’ fees and other benefits payable for the Non-Executive Directors are subject to annual shareholders’ approval at the annual general meeting of the Company.

### **3. REMUNERATION STRUCTURE FOR EXECUTIVE DIRECTOR AND SENIOR MANAGEMENT**

The remuneration should be set at a competitive level for similar roles within comparable markets to recruit and retain high quality Executive Director and Senior Management. Individual pay levels should reflect the performance of the individual, skills and experience as well as responsibility undertaken.

The remuneration of the Executive Director and Senior Management comprises principally the following components:

#### **3.1 Fixed components**

Fixed monthly salary for Executive Director and Senior Management are set according to:

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

#### **3.2 Variable components**

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

- Individual performance indicators; and
- Individual overall contribution to the Company.

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.

#### **3.3 Benefits components**

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

**4. BENCHMARKING AND ANNUAL REVIEW OF THE REMUNERATION STRUCTURE FOR EXECUTIVE DIRECTOR AND SENIOR MANAGEMENT**

As a good practice, the Company participates in total rewards survey exercises organised 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 and Senior Management, the Company uses a bonus frameworks developed by credible consulting companies as a guideline for base recommendation.

Taking into consideration the market benchmarks and bonus frameworks, level of responsibility, individual's experience, expertise and performance as well as the Company's overall performance, the Committee will review and make an informed decision on the remuneration package for Directors and Senior Management.

**5. REVIEW OF THE POLICY**

This Remuneration Policy for Directors and Senior Management was adopted by the Board on 3 May 2018. Any subsequent amendment to the policy can only be approved by the Board.

The Board will review this policy periodically or as changes arise to ensure that it remain relevant.

The Remuneration Policy for Directors and Senior Management is available on Sunway REIT's website at <https://www.sunwayreit.com>.