Kinergy Advancement Berhad
Kinergy Group
Kinergy/ the Group

Director and Key Senior Management Remuneration Policy

DIRECTOR AND KEY SENIOR MANAGEMENT REMUNERATION POLICY

1. Overview

This Remuneration Policy provides guidelines to **Kinergy Advancement Berhad and its Group of Companies ("Kinergy")** or **(the "Group")** in attracting and retaining its directors and key senior management. This policy also sets out the criteria to be used in recommending the remuneration package of Managing Director, Directors and Key Senior Management of Kinergy.

2. Objectives

This policy is designed to determine the level of remuneration package as well as to attract and retain high performing Directors and Key Senior Management. This policy further supports the organization's strategy and contribution to sustainable development and aligns with stakeholders' interests.

3. Remuneration Structure

3.1 Fixed Remuneration for Executive Directors and Key Senior Management

The fixed salary is set according to:

- The nature of job, scope of works and responsibilities;
- The level of skills and experience;
- The individual's overall contribution to the Group's strategy, operations and overall performance including managing the Group's impacts on the economy, environment, people and governance.; and
- Market and industry's rate.

3.2. Bonus

Bonus is granted to reflect the Directors' and Key Senior Management's performance as well as Group's performance. An assessment is made to ensure that all factors are considered in determining the bonus entitlement.

3.3. Director Fee for Non-Executive Directors

The Director Fee is set according to:

- The level of skills and experience;
- On par with the rest of the market; and
- The extend of the duty and responsibilities in managing the Group's impacts on the economy, environment, people and governance

3.4. Other Benefits and Allowances

The Executive Directors are entitled for benefit in kind such as Group's motor vehicle, Group's mobile phone, petrol and driver. Any expenses incurred in the course of their duties are reimbursable. The Key Senior Management is entitled for benefit in kind subject to the recommendation by Executive Deputy Chairman cum Group Managing Director and approval by the Board of Directors.

3.5. Clawback

The Board of Directors and/or Management reserves the right to request repayments of previously received compensation by the board member or senior management if certain conditions of employment or goals are not met.

4. Process of Determine Remuneration

An internal systematic process flow has been established to determine the remuneration of Directors and Key Senior Management remuneration. The steps are as follows:

Step 1 - Review Role Requirements

- The role review includes assessing job description, scope of responsibilities, required experience, skills, and competencies.

Step 2 – Conduct Market & Industry Benchmarking

- Review comparable remuneration data from industry peers, market standards, and relevant sector benchmarks.

  Benchmarking for Directors and Key Senior Management includes the following components:
  a. Comparison with industry peers, including listed and sector-relevant companies
  b. Review of market remuneration surveys and compensation studies for similar roles
  c. Assessment of remuneration trends within the industry and related industries
  d. Evaluation of competitiveness relative to companies of similar size, complexity, and market capitalisation
  e. Benchmarking of total remuneration mix, including salary, fees, benefits, incentives, and variable pay
  f. Consideration of regional market practices, especially for roles with cross-border responsibilities
  g. Review of regulatory and governance expectations for director and senior leadership remuneration

Step 3 - Evaluate Performance

- Assess individual performance, leadership, contribution, and where applicable.

  Performance evaluation for Directors and Key Senior Management can be based on the following components:
  a. Individual performance, including achievement of agreed KPIs and strategic objectives
  b. Leadership effectiveness, decision-making quality, and contribution to governance
  c. Operational and departmental performance under their oversight
  d. Group-wide performance, including financial results and strategic milestones (where applicable)

Step 4 – Consider Applicable Remuneration Frameworks

- Refer to the Group's existing remuneration framework includes the following components:
  a. Fixed salary and directors' fees
  b. Allowances and benefits-in-kind
  c. Performance-based bonuses
  d. Short-term and long-term incentive schemes
  e. Contractual entitlements, where applicable

Step 5 - Formulate Recommendation and Submit for Approval

- The Remuneration Committee ("RC") consolidates findings and submits recommendations to the Board for review and approval.

  In preparing remuneration recommendations for Directors and Key Senior Management, the RC considers the following components:
  a. Consolidated assessment of role requirements, market benchmarking, and performance evaluation

b. Alignment with the Group's remuneration structure, including salary range, fee structure, benefits, and incentive frameworks
c. Compliance with contractual terms, employment agreements, and regulatory requirements
d. Consistency with internal equity, ensuring fair and non-discriminatory application across leadership levels
e. Affordability and impact on the Group's financials, including sustainability of incentive payouts
f. Alignment with long-term shareholder value, strategic goals, and corporate governance standards

Once finalised, the RC submits the proposed remuneration packages to the Board for review and approval.

For **executive directors and key senior management's** remuneration, RC would review and recommend it to the Board for final approval.

For **non-executive directors'** remuneration, RC would recommend it to the Board and would be tabled in Group's general Meeting for shareholders' approval.

5. Periodic Review and Disclosure

The RC should conduct a periodic or yearly review on the remuneration package of Key Senior Management, Directors and Executive Deputy Chairman cum Group Managing Director. The Remuneration Committee should communicate the new changes or amendments to the criteria to the Board of Directors.

6. Review

This Policy is subject to periodic review and refinement to ensure ongoing relevance, effectiveness and alignment with emerging regulatory requirements, industry best practices and stakeholder expectations by the RC. This Policy was approved by the Management of Kinergy on 24 November 2025.