

The logo for SINKUNG, with 'SINK' in green and 'KUNG' in blue, set against a background of a futuristic, light blue interior with a grid of rectangular skylights and a glowing circular interface at the bottom.

World Without Boundaries

# REMUNERATION POLICY

[www.sinkung.my](http://www.sinkung.my)

Sin-Kung Logistics Berhad  
Company Registration No. 199401035432 (321115-P)  
Incorporated in Malaysia

Name of policy: Sin-Kung Group of Companies - Remuneration Policy  
Version: 1

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## **1.0 INTRODUCTION**

The Remuneration Policy (“**Policy**”) sets out the criteria to be used in recommending the remuneration of Directors and/or key senior management of Sin-Kung Logistics Berhad (the “**Company**”) and is made in line with the best practices recommended under the Malaysian Code on Corporate Governance (“**MCCG**”).

## **2.0 OBJECTIVE**

This Policy aims to support the company’s key strategies and create a strong performance-oriented environment by adhering to the following key principles: -

- (a) Determine the level of remuneration package for Directors and Senior Management.
- (b) Attract, develop, and retain high-performing and motivated Directors and Senior Management with a competitive remuneration package.
- (c) Ensure Directors and Senior Management receive remuneration commensurate with their responsibilities, qualifications, competence, and the Company’s operating results and prospects, individual performance, market statistics, and overall company performance in managing material sustainability risks and opportunities.
- (d) Provide appropriate transparency to ensure the remuneration policy is understood by investors and shareholders.
- (e) Encourage value creation for the Company and its stakeholders by attracting and retaining the right talent in the Board of Directors (“**Board**”) and Senior Management.

## **3.0 REMUNERATION COMPONENTS**

- (a) Executive Directors (“**ED**”) and Senior Management

Remuneration packages for EDs and Senior Management are balance fixed and performance-linked (variable) elements. The relative weight of fixed and variable remuneration varies with the level of responsibility, role complexity, and typical market practice.

- (i) Fixed Components:

- Fixed Salary: Based on the scope of duties and responsibilities, required conditions, experience, and expertise, ethical values, internal balance, strategic targets, corporate and individual performance, current market rate, merit, qualification, and competence.
- Employer Superannuation Contribution: In line with statutory obligations.
- SOCSO & EIS: In accordance with statutory requirements.

- Reimbursement of Expenses: Covering travel and other expenses incurred for Company business, including attending board meetings or business meetings.

(ii) Variable Components:

- Bonus and/or Incentives: Based on short-term performance targets, such as creating a performance culture, supporting short-term operational objectives, and achieving financial and personal targets.
- Share Option: Aligned with long-term targets, shareholder value, retaining key talent, and addressing skills shortages.
- Compensation for Loss of Employment: Determined by the Board, subject to shareholders' approval. Factors include position, past performance, achievements, ethical values, internal balance, strategic targets, market rate, and economic conditions.

(b) Non-Executive Directors (“NED”)

NEDs are remunerated by fees and other benefits approved by shareholders annually, considering market fee levels, time commitment, and additional responsibilities. Remuneration includes Directors' fees, meeting allowances, and expense reimbursements. It is set by the Board and subject to shareholders' approval.

Fee Determination Approaches:

- (i) Fixed fees
- (ii) Fixed board fee plus fees for committee roles
- (iii) Fixed fees per meeting
- (iv) No payment for non-attendance
- (v) NEDs do not receive performance-based bonuses or participate in incentive plans.

(c) Other Benefits and Allowances

Decided by the Board, including chairman's allowance, meeting allowance, duty-related expenses, medical and life insurance, benefits-in-kind (e.g., motor vehicle, accommodation), and other emoluments.

#### **4.0 PROCEDURES**

The Board has Nomination and Remuneration Committee (“NRC”) to implement policies and procedures on remuneration, reviewing and recommending matters related to Directors and Senior Management remuneration. The NRC's terms of reference are disclosed on the Company's website.

The NRC consists only of NEDs, with a majority being Independent Directors. Advice from experts is sought if necessary. Directors who are also shareholders

should abstain from voting on their fees. EDs should not be involved in deciding their remuneration.

## **5.0 APPROVAL**

The fees and any benefits payable to Directors, including compensation for loss of employment, are subject to annual shareholder approval at a general meeting.

## **6.0 REVIEW AND DISCLOSURE**

- (a) The NRC should periodically review the criteria and procedures for recommending remuneration packages for Directors and Senior Management and communicate any changes promptly to the Board and individual Directors.
- (b) The detailed disclosure enables shareholders to make informed decisions on Director remuneration and to consider appropriate remuneration packages based on responsibilities.
- (c) The disclosure of remuneration measurement links Senior Management remuneration with company performance, ensuring fairness and attracting talent.
- (d) The Company will disclose directors' remuneration in the annual report, detailing amounts received from the Company and its subsidiaries, and breaking down each component of remuneration.
- (e) Disclosure the top five senior management's remuneration components (including EDs) in bands of RM50,000.

## **7.0 REVIEW**

This policy will be reviewed periodically by the NRC to ensure it remains current and updated. The policy is made available for reference on the Company's website.

**END.**