

## **REMUNERATION POLICY**

### **1. INTRODUCTION**

Practice 7.1 of the Malaysian Code on Corporate Governance (“MCCG”) recommends that the Board of Directors (“Board”) should establish a policy formalising its approach to determine the remuneration package which takes into account the demands, complexities and performance as well as skills and experience of the directors and senior management.

### **2. OBJECTIVES**

This policy applies to the Executive Directors (“EDs”), Non-Executive Directors (“NEDs”) and Senior Management of STEEL HAWK BERHAD (“SHB” or “the Company”).

This policy is designed to support the Company’s key strategies, create a strong performance-oriented environment which is able to attract, motivate and/or retain talents of high calibre. This policy shall adhere to the following key principles:-

- The total remuneration shall be set at levels that are competitive with the relevant market and industry;
- EDs’ remuneration shall be a combination of a monthly fixed salary plus performance-based bonus, where applicable;
- incentive plans, performance measures and targets shall be aligned with shareholders’ interest in mind;
- provide an appropriate level of transparency to ensure the policy underlying the EDs’, NED’s and Senior Management’s remuneration is understood by investors; and
- ensure a level of equity and consistency.

### **3. REMUNERATION COMPONENTS**

#### **a) Fixed Remuneration for Executive Directors and Senior Management**

The fixed salary is determined according to:-

- The scope of the duty and responsibilities;
- The conditions and experiences required;
- The ethical values, internal balances and strategic targets of the Company;
- The corporate and individual performance; and
- Current market rate within the industry and in comparable companies.

#### **b) Bonus**

The bonus in the case of Executive Directors and Senior Management is designed to reward good and/or outstanding performance. The bonus is granted to reflect the Executive Directors and Senior Management performance as well as its subsidiaries (collectively referred to as “the Group”). A discretionary assessment is made to ensure that all factors which include measurable and not directly measurable are considered.

#### **c) Fixed Fee for Members of the Board of Directors**

The fixed fee is determined according to:-

- Be on par with the rest of the market;
- Reflect the qualifications and contribution required in view of the Group's complexity;
- The extent of the duty and responsibilities; and
- The number of Board meetings.

**d) Fee for Non-Executive Directors (“NEDs”)**

NEDs are remunerated by way of fees and other benefits payable (in the form of cash and by a fixed sum) that are approved by shareholders on an annual basis. The remuneration should take into account fee levels and trends for similar positions in the market and the time commitment required from the NEDs (estimated number of days per year) as well as any additional responsibilities undertaken such as a director acting as chairman of the board, chairman of a board committee or as the senior independent director.

The remuneration of NEDs is made up of Directors' fees and meeting allowances (collectively, known as emoluments) as compensation for their services plus the reimbursement of expenses incurred, if any, in the course of performing their services. The level of remuneration for NEDs shall reflect the experience and level of responsibilities undertaken by the NED concerned. The remuneration of a NED shall be by a fixed sum, and not be based on commission, the percentage of profits, or turnover.

The following approaches will be considered in determining the fees for NEDs:-

- Fixed fees - all-inclusive lump sum fee being paid to directors;
- Fixed board fee plus set fees for either chairperson or member of a committee;
- Fixed fees for each category of meeting, based on a pre-arranged agenda for the ensuing year; and
- Fixed fees for each category of meeting, with the provision that there is no payment for non-attendance.

The determination of NED's remuneration is decided by the Board, as a whole and subject to shareholders' approval, with individual NED abstaining from discussion of his or her own remuneration. The emoluments of NEDs are reviewed by the RC and the Board annually.

Fees payable to NED shall not be increased except in accordance with a resolution to be passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting. The adjustments in Directors' fees should be recommended by the Directors to be approved by the shareholders at the general meeting.

NEDs are not entitled to receive performance-based bonuses nor participate in short-term and/or long-term incentive plans.

**e) Other Benefits and Allowances**

The benefits and allowances which should be decided by the Board as a whole upon the recommendation of the Remuneration Committee may include:-

- Allowance of the Chairman and Members of the Board including chairmanship and memberships of Board Committees;
- Meeting allowance;
- Expenses such as travelling and entertainment expenses incurred in the course of their duties as directors of the Company (“Directors”), which shall be in

accordance with the policies and procedures of the Company and its subsidiaries;  
and

- Benefits-in-kind such as, motor vehicle, petrol, driver and accommodation and such other benefits deemed appropriate and in line with industry standards.

#### **4. MONITORING AND REPORTING**

On an annual basis, the Remuneration Committee shall discuss and agree on all measurable objectives for offering fair remuneration packages for EDs and Senior Management and recommend them to the Board for adoption. No Director shall participate or vote on the deliberations and decisions concerning his/her own remuneration.

The Board is free to seek to improve one or more aspects of the remuneration packages and measure progress accordingly. On this, the Board may seek professional advice from outside sources to assist the Board in formulating an attractive compensation and benefits package that aims to attract, retain and motivate talents.

Disclosure of Directors' remuneration shall be made in the corporate governance report/ corporate governance overview statement in the Company's Annual Report. Such report/statement shall include details of the Directors' remuneration in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

#### **5. REVIEW OF POLICY**

The Remuneration Committee should conduct a periodic review of the criteria to be used in recommending the remuneration package which will be amended as appropriate to align with the current market practices and requirements of the MCCG. Any requirement for amendment shall be deliberated by the Remuneration Committee, and any recommendation for revisions shall be presented to the Board for approval. The latest copy of this policy shall be made available on the Company's website.

*This Remuneration Policy was approved and adopted by the Board on 8 March 2024.*