
SUNWAY[®]

REIT

SUNWAY REIT MANAGEMENT SDN BHD
Registration No. 200801005046 (806330-X)
(Manager for Sunway Real Estate Investment Trust)

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

COMMITTED TO
SUSTAINABLE
DEVELOPMENT **GOALS**



As at 16 May 2024

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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 considers fee levels and trends for similar positions in the market and the time commitment required, and 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 chairman/chairperson or member of the Board Committees 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. The remuneration for the Non-Executive Directors undergoes a review of at least every 3 years.

3. REMUNERATION STRUCTURE FOR EXECUTIVE DIRECTOR AND SENIOR MANAGEMENT

The remuneration structure is designed to ensure it is set at a competitive level for similar position within comparable market to retain high performing Executive Director and Senior Management. The pay levels reflect the performance of the individual, skills and experience as well as responsibility undertaken.

The measurement of Executive Director and Senior Management’s performance is based on a balanced scorecard method. The key performance indicators (“**KPIs**”) for their performance are categorised under 4 measurements, i.e. Financial, Operations, Strategic Initiatives and Organisational Effectiveness.

In line with the Company’s commitment in addressing sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success, a set of KPIs related to environment, social and governance (“**ESG**”) had been officially introduced into the Executive Director and Senior Management’s scorecard categorised under the Organisation Effectiveness section. The ESG-related KPIs will impact the overall rating and remuneration of the Executive Director and Senior Management.

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

3.1 Fixed components

Fixed monthly salary for Executive Director and Key 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.

Aside from taking into consideration the market benchmarks and bonus frameworks, level of responsibility, individual's experience, expertise and performance, the Committee will also review the Company's overall performance and recommend the remuneration package for Executive Director and Senior Management to the Board for approval.

5. REVIEW OF THE POLICY

This Remuneration Policy for Directors and Senior Management was adopted by the Board on 3 May 2018, amended on 9 November 2021 and further amended on 16 May 2024. 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 remains relevant.

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