



HEXTAR HEALTHCARE BERHAD
(formerly known as Rubberex Corporation (M) Berhad)
199601000297 (372642-U)

REMUNERATION POLICY

1.0 INTRODUCTION

Practice 7.1 of the Malaysian Code on Corporate Governance (“MCCG”) recommends that the Board of Directors (“Board”) establish a policy formalising its approach to determining the remuneration packages, considering the demands, complexities and performance as well as skills and experiences, of the directors and senior management of a Company.

2.0 OBJECTIVES

This policy applies to the Managing Director (“MD”), Executive Directors (“ED”), Non-Executive Directors (“NED”), and Senior Management of Hextar Healthcare Berhad (formerly known as Rubberex Corporation (M) Berhad)(“Hexcare” or the “Group”).

The Group’s Remuneration Policy is designed to meet the following objectives:-

- (i) To attract, motivate, retain and reward Directors and key senior management who will manage and drive the Company’s success.
- (ii) It is the Company’s interest that this remuneration policy shall fairly support the Directors and key senior management in carrying out their responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders’ value.

This policy shall adhere to the following key principles:-

- (i) The total remuneration shall be set at levels that are competitive with the relevant market rates and industry standards;
- (ii) The MD’s and ED’s remunerations shall be performance-based and subject to the company’s overall financial performance;
- (iii) incentive plans, performance measures and targets shall be aligned with shareholders’ interest;
- (iv) provide an appropriate level of transparency to ensure the policy underlying the MD’s, ED’s, NED’s and Senior Management’s remuneration is understood by investors; and
- (v) ensure a level of equity and consistency.

3.0 REMUNERATION COMPONENTS

3.1. Remuneration Packages for Managing Director and Executive Directors

The remuneration package is determined according to:-

- The scope of their duties 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.

3.2. Bonus

Annual Bonuses, if any, are discretionary and not contractual. The bonus in the case of MD, ED and Senior Management is designed to reward outstanding performance. The bonus is granted to reflect the MD's, ED's and Senior Management's performance of Hexcare as well as its subsidiaries (collectively referred to as "Group"). A discretionary assessment is made to ensure that all factors which include both quantitative and qualitative measurements are considered.

3.3. Fixed Fees for Members of Board of Directors (in particular of NED)

Fees payable to NED shall be by a fixed sum, and not by a commission on or percentage of profits or turnover.

The fixed fee is determined according to: -

- Market rate of fees payable to NED of comparable companies;
- Reflect the qualifications and contribution required in view of the Hexcare Group's complexity;
- The extent of their duties and responsibilities; and
- The number of Board meetings.

3.4. Remuneration Packages for Senior Management

The remuneration package is determined according to:-

- The scope of their duties and responsibilities;
- The conditions and experiences required;
- The corporate and individual performance;
- Individual's overall contribution to the Company's strategy and operation; and
- Current market rate within the industry and in comparable companies.

3.5. Other Benefits and Allowances

The benefits and allowances which should be decided by the Board as a whole upon the recommendation of the Nomination and Remuneration Committee (“NRC”) include:-

- Contribution to EPF and SOCSO if applicable;
- Allowance of the Chairman 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; and
- Benefits-in-kind such as, motor vehicle, petrol, driver and accommodation and such other benefits deemed appropriate and in line with industry standards.

The fees and benefits of Directors shall be reviewed annually by the NRC and the Board and subject to approval of shareholders at the Company’s Annual General Meeting.

4.0 GOVERNANCE OF REMUNERATION

On an annual basis, the NRC shall discuss and agree on all measurable objectives for offering fair remuneration packages for the MD, 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.

Directors and/or Senior Management of the Company may be accorded with Directors and Officers liability insurance in respect of any liability (civil or criminal) arising in the course of discharging their duties as Directors and/or Senior Management of the Company provided that such liabilities were occasioned in good faith and not as a result of negligence, default or breach of duty. The premium paid for such insurance shall be borne by the Company and does not form part of the benefits given to the Directors and/or Senior Management of the Company as part of their remuneration packages.

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

5.0 REVIEW OF POLICY

The NRC should conduct a periodic review of the criteria to be used in recommending the remuneration package and will be amended as appropriate to align with the current market practices and requirements of the MCGG. Any requirement for amendment shall be deliberated by the NRC, and any recommendation for revisions shall be presented to the Board for approval.

This Policy was adopted by the Board on 1 September 2023 and is made available on the Company's website, www.rubberex.com.my.

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