

REMUNERATION POLICY

Policy and Procedures for the remuneration of the Directors and Senior Management

The remuneration policy of LAY HONG BERHAD (the “**Company**”) is designed to ensure that the key principles for remuneration are appropriate and competitive to attract and retain experienced, knowledgeable, highly skilled and high calibre Executive Directors and Senior Management needed to manage the Group successfully in terms of supporting and driving business strategies.

Amongst others, the following are some of the criteria adopted by the Company and its subsidiaries in considering the remuneration of the Executive Directors and Senior Management: -

- The overall performance of the Company and its subsidiaries tracked against the predetermined key performance indicators and/or targets;
- General economic situation;
- Prevailing market practice;
- Salary positions against market trends;
- Skills and experience; and
- Individual performance.

In this regard, the Remuneration Committee is responsible for implementing the policies and procedures whilst the Board is responsible for approving such policies and procedures which govern the remuneration of the employees including Executive Directors and Senior Management.

The remuneration packages are reflective of the Directors' and Senior Management's experience and level of responsibilities and are structured to link and commensurate with corporate and individual performances.

The Remuneration Committee is responsible for determining the levels and make up of Executive Directors' remuneration and approved by the Board and implemented in the presence of majority of the Non-Executive Directors.

Long term incentives are implemented through share issuance scheme to employees. The Executive Directors, however, do not participate in any way when determining their respective remuneration package.

For Non-Executive Directors, the policy is to ensure that the remuneration commensurate with their respective responsibilities and commitment to the Board and the Group. The fees payable are determined based on the level of expertise, experience, responsibilities undertaken, and commitment of time. Meeting attendance allowances are paid to eligible Non-Executive Directors in accordance with the number of meetings attended during the financial year. Individual Directors will abstain from participating in the discussion and decision of their own remuneration.

The determination of the annual directors' fee for Executive Directors and Non-Executive Directors' remuneration is a matter for the Board to decide and approve as a whole taking into consideration any additional responsibilities taken. The annual directors' fees payable to Directors and meeting attendance allowance and benefits-in-kind payable to Non-Executive Directors are presented to the shareholders at the Annual General Meeting for their approval.

This Remuneration Policy shall be reviewed as and when necessary.