



**STRAITS INTER LOGISTICS BERHAD**  
FORMERLY KNOWN AS RAYA INTERNATIONAL BERHAD

# **Board Remuneration Policy**

**26 March 2018**

## **1. INTRODUCTION**

The Board's Remuneration Policy's purpose is to establish clear and guiding principles that ensure fair, competitive and appropriate pay for the markets in which Straits operates. Straits goal is to ensure that the mix and balance of remuneration is appropriate to attract, motivate, retain and fairly reward its Board members.

## **2. OBJECTIVE**

- a. The objective of the Board remuneration policy is to support business strategy which is more long term and strategic in nature.
- b. It is aimed at motivating the non-executive directors to achieve the Group's business objective.
- c. The Remuneration packages for the Executive Directors are formulated to be competitive and realistic, emphasis being placed on performance, with aims to attract, motivate and retain executive directors of high caliber to the Group
- d. The Company aims to set remuneration at levels which are sufficient to attract and retain high calibre Directors and Senior Management needed to run the business successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved.
- e. The NRC is responsible for setting the policy framework and recommending to the Board the remuneration of Directors so as to ensure that the Company is able to attract and retain its Directors needed to run the Group successfully including reviewing and recommending matters relating to the remuneration of Board, Board Committee and Senior Management.

## **3. DETERMINATION OF NON-EXECUTIVE DIRECTORS' REMUNERATION**

- (i) Remuneration of non-executive directors is determined with regards to the Company's needs to maintain appropriately experienced and qualified Board members in accordance with competitive pressures of the marketplace.

- (ii) For non-executive directors, the level of remuneration commensurate with the level of responsibilities undertaken by them for the Company
- (iii) The remuneration policy is designed based on the following principles:
  - a) to attract and retain directors.
  - b) to motivate directors to achieve Company's business objective.
  - c) to align the interests of the Directors with the long term interest of the shareholders.
- (iv) In determining the remuneration of non-executive directors, the Nomination and Remuneration Committee (NRC) is guided by the provisions of the Company's Articles of Association which provides the following (in respect of non-executive directors):

**Article 86:**

The fee of the Directors shall from time to time be determined by the Company in General Meeting. The fees payable to the Directors shall not be increased except pursuant to a resolution passed at the General Meeting where notice of the proposed increase has been given in the notice of the meeting. The fees payable to non-executive Directors shall be by way of a fixed sum and not by way of a commission on or percentage of profits or turnover. Salaries payable to executive directors may not include a commission on or percentage of turnover. Any fee paid to an alternate director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration. Any Director holding office for a part of year shall be entitled to proportionate part of such remuneration.

**Article 87**

The Directors shall be paid by the Company such reasonable travelling, hotel and other expenses as they may incur in attending meetings of the Company or of Directors or of Committees of Directors or which they may otherwise incur in or about the Company's business.

## **Article 88**

If any Directors being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determine by the Board provided that in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

In addition to the above, references will also be made to other relevant guidelines in determining the remuneration of the non-executive directors.

- (v) The Directors fees and associated costs must not place an inappropriate burden on the Company's finances.
- (vi) Non-executive Directors will be remunerated by way of fees in the form of cash, and / or non-cash benefits
- (vii) Non-executive Directors will not receive options or bonus payments except in exceptional circumstances
- (viii) Non-executive Directors will not participate in schemes designed for the remuneration of executives

## **4. REVIEW OF NON-EXECUTIVE DIRECTORS' REMUNERATION**

- 1) The NRC may from time to time seek independent advice on remuneration of non-executive Directors and make recommendations to members in relation to any increase in total fees.
- 2) The remuneration of the non-executive directors shall be reviewed every three (3) years by the NRC. In conducting the review, the assistance of an independent professional advice can be sought to provide the NRC with the latest development and up to date information in respect of the remuneration of non-executive directors.
- 3) Any review shall be tabled to the shareholders at general meetings for approval.

## **5. SHAREHOLDERS APPROVAL**

The remuneration of Directors including fee, allowance and other entitlement will be presented at the AGM for shareholders' approval. Individual Directors do not participate in decisions regarding their own remuneration package. The NRC is guided by market norms and industry practices when making recommendations for the compensation and benefits of Directors.

## **6. REVIEW OF POLICY**

- (i) This policy is subject to regular review by the Board and will be amended as appropriate to reflect the current best practices.
- (ii) The policy may be amended by resolution of the Board.

## **7. DISCLOSURE**

The Board will make appropriate disclosure to shareholders in its annual report of the key aspects of this Policy, including explaining any departure from the best practices and recommendations as set out by the Malaysian Code on Corporate Governance 2017 (if any).