

WAH SEONG CORPORATION BERHAD (Company No. 495846-A)

REMUNERATION POLICY

1.0 INTRODUCTION

The Remuneration Committee (“**RC**”) is a sub-committee of the Board of Directors and has been established comprising exclusively of Non-Executive Directors, a majority of whom are independent. The RC is responsible to establish a remuneration policy/framework and to review and make recommendation to the Board of Directors on the remuneration packages and benefits of the Executive Directors and Key Senior Managements. While the remuneration of the Non-Executive Directors including that of the Non-Executive Chairman is a matter to be decided by the Board of Directors as a whole.

During the deliberation of the remuneration package at the respective meetings of the Board and/or Committee, the individual Director whose remuneration package is being considered shall abstain from deliberation and voting. Any decision or recommendation made by the RC shall be subject to the review and ultimate approval of the Board of Directors.

The RC may appoint or engage other competent and professional advisers or consultants as may be deemed fit to assist in carrying out certain of its functions effectively.

This Policy is introduced to Wah Seong Corporation Berhad (“**WSC** or **the Company**”) in the context of the policy framework on all elements of the remuneration of the Executive Directors and Non-Executive Directors pursuant to Principle A Part III of the Malaysian Code on Corporate Governance 2017.

2.0 OBJECTIVE

The objectives of this Policy are for the following purposes:

- a. To recommend to the Board of Directors a competitive compensation and remuneration package for the Executive Directors in order to attract and retain outstanding Executive Directors with the skills and experience needed to manage the WSC Group’s business successfully;
- b. To ensure that the Executive Directors and Key Senior Management are fairly rewarded for their individual contributions to the overall WSC Group’s performance and
- c. To recommend to the Board of Directors a competitive compensation and remuneration package for Non-Executive Directors in order to attract and retain outstanding Non-Executive Directors of high caliber, integrity, credibility and competency who have the necessary skills, knowledge, expertise and experience to provide independent judgements, broader views and balanced assessments on proposals, issues, strategies, performances and resources for the success of the WSC Group.

3.0 DIRECTORS' REMUNERATION

3.1 Basic Salary for Executive Directors

The RC recommends to the Board of Directors the basic salary for the Executive Directors after taking into account the performance of the Executive Directors, the inflation price index and bench-marked against information obtained from independent sources on the scales/rates of salary for similar jobs, functions and responsibilities in a selected group of comparable companies of similar size, structure and business sector.

3.2 Fees and Allowances for Executive and Non-Executive Directors

The fees payable to the Executive Directors and Non-Executive Directors are determined by the Board of Directors taking into account the individual Director's performance, contributions, the inflation price index and overall performance of the WSC Group and bench-marked against other selected group of comparable companies of similar size, structure and business sector and is subject to the approval of the shareholders of the Company.

The allowance payable to the Executive Directors and Non-Executive Directors are as follows:

Meeting Allowance for	Board of Directors	Board Committees
Chairman	RM3,000	RM3,000
Member	RM3,000	RM3,000

3.3 Benefits-in-kind

The Executive Directors are remunerated in cash and in kind by way of salary, performance bonus and other benefits and entitlements; taking into consideration their experience, responsibilities, length of service, their individual performance and contribution as well as the overall performance of WSC Group. The Non-Executive Directors are paid fees based on their experience, contribution and level of responsibilities.

In addition to the above, the Directors are covered by the WSC's Directors & Officers Liability Insurance (D&O) in respect of any liabilities arising from their acts committed in their capacity as Directors of WSC's Group. However, the said insurance policy does not indemnify a Director or principal officer if he or she is proven to have acted negligently, fraudulently or dishonestly, or in breach of his or her fiduciary duty or trust.

4.0 PROCEDURES TO DETERMINE THE DIRECTORS' AND KEY SENIOR MANAGEMENT REMUNERATION AND FEES

There are procedures established by the WSC Group to determine the remuneration and fees payable to the Directors and Key Senior Management to ensure that they are aligned to the market rate and commensurate with the duties and responsibilities undertaken by the Directors. The procedures are as follows:

- (a) The RC assists the Board of Directors in overseeing the implementation and execution of the Remuneration Policy and its specific application to each Executive Directors and Non-Executive Directors in the evaluation of the performance of each of the Executive Directors and Non-Executive Directors and in determining the levels of reward to each Executive Directors and Non-Executive Directors;
- (b) The RC shall conduct continued assessment of individual Executive Directors to ensure that their remuneration is directly related to their performance over time;

In this regard, the review of Non-Executive Directors' fees may take place at a different time of the year from the review of Executive Directors' salaries;
- (c) Engage or appoint such other competent and professional advisers/consultants as may be deemed fit to assist the RC in determining the remuneration and fees payable to the Directors (where necessary);
- (d) To furnish a report to the Board of Directors of any findings of the individual Executive Directors and Non-Executive Directors for the Board of Directors' consideration and approval;
- (e) To review the salary increment or adjustment in the event of promotion or re-designation of Executive Directors and Non-Executive Directors of the Company, where applicable;
- (f) To review the annual increment and bonus payment for Executive Directors and Key Senior Management of the Company basing on the performance of WSC Group and performance of the individuals, where applicable;
- (g) The RC shall determine and establish specific measures, weightings and targets to source, maintain, retain and reward the Executive Directors and Key Senior Management;
- (h) The RC shall determine the remuneration for the Executive Directors and Key Senior Management based on the individual responsibilities and performance, skills and experience required as well as the demand and complexity of the WSC Group's businesses; and
- (i) The RC shall ensure that the fees and remuneration of the Non-Executive Directors, the Executive Directors and Key Senior Management are aligned with the WSC Group's business strategies and long term goals and objectives.

(Revised on 18 February 2020)