

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

## **REMUNERATION COMMITTEE**

### **ROLE OF THE REMUNERATION COMMITTEE (“RC”)**

In compliance with the Malaysian Code on Corporate Governance 2017 (“MCCG 2017”), the Remuneration Committee shall set the policies and procedures to determine the remuneration of WSC’s Board of Directors and Senior Management, drawing from outside advise as necessary with the objective of ensuring:-

- a. that the Company’s Executive Directors are fairly rewarded for their individual contributions to the Company’s overall performance; and
- b. that, the levels of remuneration should be sufficient to attract and retain the directors needed to run the Company successfully.

**(NOTE:**

1. The determination of remuneration packages of Non-Executive Directors, including Non-Executive Chairman should be a matter for the Board as a whole.
2. The individuals concerned should abstain from discussion of their own remuneration.)

### **TERMS OF REFERENCE**

1. **Constitution**

The RC shall be headed by a Non-Executive Chairman and its members shall comprise exclusively of Non-Executive Directors, a majority of whom are independent.

2. **Quorum of Meetings**

A minimum of two (2) RC Members present in person shall constitute the quorum.

Any other person(s) maybe invited or determined by the RC and/or the RC Chairman from time to time to attend the RC meeting.

3. **RC Members**

The existing RC Members are as per Appendix I attached.

4. **Majority Decision**

All decisions of the RC shall be decided on the votes of the simple majority of those Members present. However, no Executive Director shall participate in the discussion of his own remuneration.

Any decision or recommendation made at the RC shall be subject to the review and ultimate approval of WSC’s Board of Directors.

5. **Casting Vote**

In the event there be an equality of votes, then the Chairman of the meeting shall have a casting vote.

6. **Frequency of Meetings**

The RC shall meet at least annually or at such other frequency as the Chairman may determine.

7. **Notice of Meetings**

Minimum seven (7) days or such shorter notice as the RC may deem fit depending on the nature and prevailing circumstances at hand.

8. **Secretary**

WSC's Company Secretary(s) shall be the Secretary(s) for the RC. In the event any of the Company Secretary is unable to attend, an assistant or deputy Secretary(s) may be appointed for that specific meeting.

9. **Minutes of Meetings**

The Secretary (which expression shall include the assistant or deputy Secretary appointed under item 8) shall table the minutes of each RC Meeting and shall circulate the same for each Members' record. The Chairman's confirmation of the Minutes shall be taken as a correct record of the proceedings thereat.

The Chairman shall report on the outcome or decision of each meeting to the Board

10. **Functions of the RC**

Without prejudice to the generality of the foregoing, the RC shall:-

- a. Review, recommend and advise on all forms of directors' remuneration e.g.
  - Basic Salary
  - Profit-sharing schemes (if any)
  - Share options
  - Any other benefits;
- b. To establish a fair, formal and transparent procedures for developing a policy for Board of Directors and Senior Management's remuneration and for fixing the remuneration packages of individual Directors and Senior Management;
- c. To structure the component parts of the Executive Directors' remuneration so as to link rewards to corporate and individual performance; whereas, in the case of Non-Executive directors, the level of remuneration should reflect the experience and level of responsibilities undertaken by the particular Non-Executive concerned;
- d. Conduct continued assessment of individual Executive Directors to ensure that remuneration is directly related to performance over time.

In this regard, the review of Non-Executive fees may take place at a different time of the year from the review of Executive Directors' salaries;

- e. To monitor and assess the suitability of such proposed performance related formula (e.g. whether the formula is based on individual performance, company profit performance, earnings per share, etc.) and to see that awards under the Company's share option schemes are consistent with the Company's overall performance and provide an additional incentive to Management;
- f. To provide an objective and independent assessment of the benefits granted to Executive Directors;
- g. To ensure that there are adequate pension arrangements for the Executive Directors;
- h. To consider, the extent of the details of the Board of Directors and Key Senior Management's remuneration to be reported in the Company's Annual Report in compliance with the Malaysian Code on Corporate Governance 2017 and the Listing Requirements of Bursa Malaysia;
- i. Introduce any regulation which would enable the smooth administration and effective discharge of the RC's duties and responsibilities;
- j. To furnish a report to the Board of any findings of the RC;
- k. Engage or appoint such other competent and professional advisers/consultants as may be deemed fit to assist the RC in the smooth discharge of its duties herein;
- l. To establish a Remuneration Policy / Framework for the Board of Directors and Senior Management of the Group in order to attract and retain key personnel of requisite quality that increases productivity and profitability in the long run. The Remuneration Policy is available on the Company's website at [www.wahseong.com](http://www.wahseong.com);
- m. To review and determine the appropriate remuneration package for the Board of Directors and Key Senior Management of the Group as follows:-
  - Head Office – Group Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Group Company Secretary;
- n. To review the salary increment or adjustment in the event of promotion or re-designation of Key Senior Management of the Group, where necessary;
- o. To review the annual increment and bonus payment for Key Senior Management of the Group basing on the performance of the Group and performance of the individuals, where necessary;
- p. To establish schemes, options and remuneration and compensation plans for the Board of Directors and Key Senior Management of the Group, where appropriate; and
- q. Generally, to decide and implement such other matters as may be delegated by Board of Directors from time to time.

#### 11. **Variation**

The above Terms of Reference may be determined and/or varied by the Board of Directors at anytime and from time to time.

(Revised on 18 February 2020)

## APPENDIX I

### RC Members

The existing RC members shall comprise of the following persons:-

	<u>Designation</u>	<u>Directorship</u>
Tan Sri Saw Choo Boon	Chairman	Independent Non-Executive Director
Halim Bin Haji Din	Member	Independent Non-Executive Director
Professor Tan Sri Lin See Yan	Member	Senior Independent Non-Executive Director