



[Registration No.: 202101026155 (1426455-A)]

## Policies and Procedures for the Remuneration of Directors and Senior Management

Version	Effective Date
0	18 May 2022

## **1. PURPOSE**

The Policies and Procedures for the Remuneration of Directors and Senior Management (“Remuneration Policies and Procedures”) sets out pertinent remuneration principles and guidelines for the Board of Directors and Senior Management (defined as personnel in the position of Deputy General Manager and above) of Wellspire Holdings Berhad (“Company”) and its subsidiaries (“Group”).

## **2. OBJECTIVES**

The Remuneration Policies and Procedures are designed to:

- (i) create a remuneration structure that is competitive so as to attract, reward, motivate and retain Directors and Senior Management who lead the Group towards realising its corporate strategies and long term objectives;
- (ii) provide transparency, clarity and an independent process on compensating Executive Directors and Senior Management, taking into account their experience, knowledge, extent of responsibility and individual performance, including the performance of the Group and prevailing market and industry statistics; and
- (iii) provide a structured basis in determining the remuneration of Non-Executive Directors, which is commensurate with the responsibilities of the Non-Executive Directors, for example their involvement and contribution both in the Board and Board Committees, including attendance at meetings.

The Remuneration Policies and Procedures are structured based on the following key principles:

- (i) remuneration shall be set at levels that are competitive with the relevant market and industry with the aim of attracting and retaining talents as part of the Group’s succession plan;
- (ii) reflect the performance of the individual, skills and experience as well as level of responsibilities undertaken;
- (iii) performance measures and targets shall be aligned with shareholders’ interest;
- (iv) the Remuneration Policies and Procedures are formal, transparent and properly documented; and
- (v) ensure a level of fairness and consistency in remuneration.

## **3. REMUNERATION FOR NON-EXECUTIVE DIRECTORS (“NEDs”)**

3.1 The Directors’ fees and benefits for NEDs is reviewed by the Nominating and Remuneration Committee (“NRC”) and recommended by the Board for approval by shareholders at the Company’s Annual General Meeting. Directors’ fees shall be paid upon receipt of such shareholders’ approval.

- 3.2 The remuneration of NEDs is made up of Directors' fees and benefits comprising meeting allowances and directors' indemnity insurance. The remuneration of NED shall be by a fixed sum, and not by a commission, the percentage of profits, or turnover of the Company. The Directors who are shareholders and controlling shareholders with a nominee or connected director on the board should abstain from voting on the resolution to approve directors' fees at the general meeting.
- 3.3 The remuneration for NEDs shall be reviewed yearly by the NRC and any revision shall be recommended for the Board's approval. In conducting the review, assistance of an independent professional adviser may be sought to provide the latest development/information in respect of market and industry statistics on the remuneration of NEDs. In considering adjustments to the NEDs' fees and allowances, various factors are taken into account, including a review of market analysis on the subject matter. Market benchmarking shall take into account the size of the organisation as well as complexity and extent of the responsibility assigned and work performed.
- 3.4 The NRC shall determine the remuneration of the Non-Executive Chairman of the Company, and consider whether any increase is considered pertinent to the market and industry statistics on the remuneration of Non-Executive Chairman, complexity and extent of the responsibility assigned and work performed and thereafter make recommendation for the Board's approval

#### **4. REMUNERATION FOR EXECUTIVE DIRECTORS ("EDs") AND SENIOR MANAGEMENT**

- 4.1 The EDs and Senior Management shall be provided a letter of appointment, setting out the terms and conditions of engagement, responsibilities for the role and remuneration package.
- 4.2 The EDs and Senior Management are paid a fixed remuneration, consisting of basic salary, allowances and other benefits such as company car and fuel allowance, contribution to the Employees Provident Fund, insurance and medical benefits (including spouse and dependents). Salaries payable to EDs shall not include a commission on or percentage of turnover.
- 4.3 The NRC determines on the remuneration of the EDs and Senior Management based on their roles and responsibilities for the operational management, strategic direction and decision, complexities of business, skills and experience, market rates as well as performance of the individual and financial performance of the Group.
- 4.4 The EDs shall recommend the remuneration of Senior Management, who directly report to them, for the consideration of the NRC.
- 4.5 The fixed remuneration is set based on relevant market relativities, performance, qualifications, experience and geographic location where the personnel are based. The salary levels for EDs and Senior Management shall take into account the nature of the role, performance of the business and the individual and market positioning. Salaries are normally reviewed annually and may be reviewed more frequently, where appropriate, for example following a substantial change in responsibilities.

- 4.6 EDs and Senior Management are also eligible for annual bonus payment. The bonus is based on performance against annual measures and targets from the annual plan which is designed to implement the business strategies of the Company and Group.
- 4.7 With the recommendation from the NRC, the Board shall consider the appropriateness of any change in fixed remuneration level/salary adjustments/increments for the EDs and Senior Management based on the role and responsibilities, job size, individual performance, industry standards, labour market conditions and scale of the Group's business relating to the position. The basic salary is reviewed annually. The EDs shall abstain from deliberation and/or voting on their own remuneration at Board meetings.

## **5. EXTERNAL PROFESSIONAL ADVICE**

The Board shall, from time to time, consider the need to enhance one or more aspects of the remuneration packages in tandem with development in the market place. Accordingly, the Board may seek professional advice from external sources for the purpose of formulating an attractive and competitive compensation and benefits package to attract, retain and motivate talents.

## **6. REVIEW AND REVISION OF THE REMUNERATION POLICIES AND PROCEDURES**

The NRC shall review and assess the adequacy, effectiveness and continued relevance of the Remuneration Policies and Procedures at least once in every 3 years or as and when required, and recommendation be made to the Board for approval on any revision. The Remuneration Policies and Procedures is made available on the Company's website.