



LIM SEONG HAI CAPITAL BERHAD
(1392985-A)

Remuneration Policy and Procedures

POLICY

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1.0 Introduction

This Remuneration Policy and Procedures is the guiding document (“Document”) for the Board of Directors (“Board”) and the Nominating and Remuneration Committee (“NRC”) of Lim Seong Hai Capital Berhad (“LSH” or the “Company”) to administer the remuneration of the Executive Vice Chairman/Group Managing Director/Executive Directors (collectively “EDs”), Non-Executive Directors (including Independent Directors) (“Non-EDs”) and the Key Senior Management (ie. Head of Departments) of LSH to support and drive business strategy and long-term objectives of the Company and its subsidiaries (“Group”) in line with the recommendation of the Malaysia Code on Corporate Governance (“MCCG”).

2.0 Remuneration philosophy

- a) The objective of this Remuneration Policy of LSH is to:-
- Determine the level of remuneration packages of the EDs, Non-EDs and Key Senior Management;
 - Attract and retain high-quality individuals with diverse and complementing skills, competencies, ability and experience to fulfill, implement and deliver the long-term business strategy and objectives of the Group;
 - Deliver a total reward proposition that is affordable yet competitive, fair and justifiably, differentiated so as to incentivize actions towards the value accretion of the Group;
 - Encourage value creation for LSH and its stakeholders.

3.0 Governance of remuneration

- a) The NRC shall assist the Board in implementing its policy and procedures on remuneration including reviewing and recommending matters relating to the remuneration of EDs, Non-EDs and Senior Key Management on a yearly basis.
- b) The NRC shall develop and administer fair and transparent procedures for setting policy on remuneration of EDs, Non-EDs and Senior Key Management so as to ensure that remuneration packages are determined on the bases of the individual’s merits, qualification and competence, having regard to the Group’s operating results, individual performance and comparable market statistics.
- c) No Director shall participate or vote on the deliberations and decisions concerning his or her own remuneration.

4.0 Remuneration policy and procedures

4.1 Policy and procedures for remunerating Executive Vice Chairman/Group Managing Director/Executive Directors (collectively “EDs”)

The remuneration of the EDs is made up of basic salaries, allowances, annual bonus and other benefits and is set according to the following criteria:-

- The demand, complexities of activities and performance of the LSH Group;
- The nature of job;

- The level of skills, expertise, experience and scope of responsibilities of individual EDs;
- The individual ED's performance indicators ("KPI") in the job; and
- Periodic benchmarking of remuneration will be undertaken to ascertain the competitiveness of LSH remuneration packages against companies of similar size and industry.

In formulating the remuneration levels, the NRC must consider the assessment on the performance of the EDs against such targets as well as benchmarking to market rate for benefits-in-kind, annual increment and bonus.

The performance measures are derived from a mixture of financial and strategic measures, as follows:-

- Financial measures may include profitability of the Company;
- Strategic measures may include but not limited to competitive performance metrics such as enhancement of shareholder value, market share and/or market capitalisation.

4.2 Policy and procedures for remunerating Non-Executive Directors ("Non-EDs")

LSH's remuneration policy for Non-EDs is to develop a remuneration structure that is commensurate with the Non-EDs responsibilities at both the Board and Board Committee level and is sufficient to attract, incentivize and retain quality Non-EDs.

The remuneration of the Non-EDs consists of fixed annual directors' fees and meeting allowances. Virtual participation during meetings will constitute attendance and meeting allowance will be accorded accordingly.

In relation to the remuneration of Non-EDs, the NRC is further guided by the following:

- The remuneration should not conflict with the Non-EDs' obligation to bring objectivity and independent judgement;
- All remuneration to be paid and/or payable to the Non-EDs must be tabled to the shareholders of LSH for approval pursuant to the provision of the Companies Act 2016.

4.3 Policy and procedures for remunerating Key Senior Management

The remuneration of the Key Senior Management is made up of basic salaries, annual bonus & etc. and are set according to:-

- the nature of job;
- the level of skills, experience and scope of responsibilities of individual;
- the individual's performance indicators ("KPI") in the job;
- the individual's overall contribution to Company's strategy and operation; and
- market and industry's benchmark.

Remuneration of the Key Senior Management shall be structured to link rewards to the Group's and individual performance and shall take into consideration remuneration paid by other similar companies, whether in size and/or industry, the individual's performance and responsibility, market competitiveness as well as LSH's overall performance.

Review of Policy

The Remuneration Policy is to be regularly reviewed by the Board as and when required.

This Policy has been approved by the Board of Directors for adoption with effect from 24 September 2024.