

DIRECTORS' REMUNERATION POLICY

1. Introduction

This policy sets out the criteria to be used in recommending the remuneration package of Directors of Westports Holdings Berhad (“the Company”) and the subsidiaries within the Westports Group of Companies (“the Group”).

This policy embraces the principles contained in the Malaysian Code of Corporate Governance 2021 (“the MCCG 2021”).

2. Objectives

2.1 This policy is designed to:

2.1.1 Determine the level of remuneration package of Directors (including the remuneration of Non-Executive Directors which requires shareholders’ approval) and Senior Management of the Group;

2.1.2 Attract, develop and retain high performing and motivated Directors and Senior Management with a competitive remuneration package;

2.1.3 Provide a remuneration such that the Directors and Senior Management are paid a remuneration that commensurate with the responsibilities of their position, reflecting their contributions for the year;

2.1.4 Ensure the level of remuneration of Non-Executive Directors are linked to their level of responsibilities undertaken and contributions to the Board; and

2.1.5 Encourage value creation for the Group and its stakeholders.

3. Remuneration Components

3.1 The review and assessment of remuneration levels for Directors of the Group is to be conducted annually by the Nomination and Remuneration Committee (“NRC”).

3.2 Fixed Remuneration for Executive Directors

The fixed salary is determined according to:

- The scope of the duty and responsibilities;
- The conditions and experiences required;
- The ethical values, internal balances and strategic targets of the Group;
- The corporate and individual performance;
- Current market rate within the industry and in comparable companies; and
- The scale and complexity of both the business and the role.

3.3 Bonus

The bonus in the case of Executive Directors is designed to reward outstanding performance. The bonus is granted to reflect the Executive Directors’ performance as well as the Group results.

3.4 Fixed Fee for Non-Executive Directors

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The fixed fee is determined according to:

- On par with the rest of the market;
- Reflect the qualifications and contribution required in view of the Group's complexity;
- The extent of the duty and responsibilities;
- The number of Board meetings; and
- The corporate and individual performance.

3.5 Other Benefits and Allowances

The benefits and allowances which should be decided by the Board as a whole include:

- Board Committee Chairman's allowance;
- Meeting attendance allowance;
- Expenses incurred in the course of their duties as Directors;
- Benefits-in-kind such as provision of motor vehicle, petrol, driver, medical benefits and use of mobile phone. This benefit is applicable to Executive Directors; and
- Any other expenses as proposed to and approved by the Board.

4. Remuneration Procedures

4.1 The NRC reviews and approves the annual salaries, incentive arrangements, service arrangements and other employment conditions for the Executive Directors.

4.2 Senior Management who reports to the Executive Directors/CEO are evaluated annually by the Executive Directors/CEO premised on annual measurements and targets set.

4.3 The NRC shall, when necessary, engage with any independent agency to perform market survey, analysis and comparison on the competency of remuneration packages periodically and recommend to the Board on any adjustment for the Directors and Senior Management to support the objectives of this policy.

4.4 The determination of the remuneration for Non-Executive Directors is a matter for the Board as a whole. The Executive Directors shall not present when matters affecting their own remuneration arrangements are considered.

4.5 This policy is in line with the Group's overall practice on compensation and benefits, which is to reward employees competitively, taking into account performance, market comparisons and competitive pressures in the industry. Whilst not seeking to maintain a strict market position, it takes into account comparable roles in similar organisations.

5. Periodic Review and Disclosure

This Policy shall be reviewed every two (2) years by the Nomination and Remuneration Committee to assess its effectiveness.

This policy is approved by the Board of Directors on 30 April 2024.