

GUH HOLDINGS BERHAD

**Company No.: 4104-W
(Incorporated in Malaysia)**



DIRECTORS AND SENIOR MANAGEMENT REMUNERATION

1.0 Introduction

1.1 The purpose of this policy is to provide guidance in recommending the remuneration package of the Group's Directors and Senior Management in order to attract, retain and motivate them and is in line with the best practice provision of the Malaysian Code of Corporate Governance (MCCG) 2017.

2.0 Guidelines

2.1 The remuneration of Directors and Senior Management shall be determined based on the following principles:

- a) To attract and retain Directors and Senior Management;
- b) To motivate Directors and Senior Management to achieve and work towards the Group's vision and mission;
- c) To align the interests of the Directors and Senior Management with the long term interests of the shareholders.

2.2 The remuneration package of the Executive Directors shall be reviewed and recommended by the Remuneration Committee. Thereafter, all the Directors' remuneration package shall be reviewed and approved by the Board of Directors (refer as "BOD") on a yearly basis. The Senior Management remuneration package shall be reviewed and approved by the CEO/Group Managing Director on a yearly basis.

2.3 It is the responsibility of the BOD as a whole to approve the remuneration packages, except Director's Fees which shall be approved by the shareholders at general meetings and no Director shall participate or vote on the deliberations and decisions concerning his or her own remuneration.

3.0 Procedures

3.1 Executive Directors

3.1.1 The remuneration of the Executive Directors which is made up of basic salary, directors' fees, bonus, ex-gratia benefits receivable, benefit-in-kind and performance profit sharing are determined based on the result of annual peer review performance assessment with reference to the terms and conditions of the employment.

3.1.2 The result of the performance assessment is reviewed by the Remuneration Committee and is recommended to the BOD for approval.

3.1.3 In determining the remuneration package, the Committee considers the performance assessment of the Executive Directors against appropriate performance measures.

3.1.4 The remuneration package is structured to link rewards to corporate and individual performance and take into consideration the remuneration paid to Executive Directors of other similar companies, whether in size and/or industry, the individual's performance and responsibility, market competitiveness as well as the Group's overall performance.

3.2 Non-Executive Directors

- 3.2.1 The remuneration of the Non-Executive Directors is made up of directors' fees and meeting allowances which is set according to the results of annual peer review performance assessment of individual Director that is reviewed and approved by the Board.
- 3.2.2 The Non-Executive Directors is made up of Independent and Non-Independent Directors.
- 3.2.3 An annual independence review is performed for all the Independent Non-Executive Directors with results reviewed and approved by the BOD.
- 3.2.4 The remuneration package for the Non-Executive Directors reflects the experiences, level of responsibilities and time commitment undertaken by them.
- 3.2.5 In determining the remuneration level, the market terms and remuneration paid to Directors of other similar companies, whether in size and/or industry, the individual's performance and responsibility, market competitiveness as well as the Group's overall performance are considered.

3.3 Senior Management

- 3.3.1 The remuneration of Senior Management is made up of basic salary, bonus, performance profit sharing and other benefit as set out in the Group's terms and conditions of employment and is determined based on the results of annual performance appraisal system.
- 3.3.2 The performance appraisal system comprises individual's goal setting at the beginning of the year followed by year end self-evaluation. The result is reviewed and approved by the CEO/Group Managing Director.
- 3.3.3 The remuneration package is structured to link rewards to corporate and individual performance and take into consideration the remuneration paid to them of other similar companies, whether in size and/or industry, the individual's performance and responsibility, market competitiveness as well as the Group's overall performance.

4.0 Periodic Review and Disclosure

- 4.1 The Remuneration Committee conducts periodic review of the performance measures stipulated in the terms and condition of employment that are used in recommending the remuneration package of Directors and Senior Management.
- 4.2 Should there be any changes or amendments of the criteria, the Remuneration Committee should promptly communicate those changes to the BOD.
- 4.3 The CEO/Group Managing Director reviews the Senior Management's key responsibilities on a half yearly basis and guidance are given to correct their performances before a final review is carried out at the end of the year.
- 4.4 This policy is to be reviewed regularly by the Board as and when required and is disclosed on the Group's website.