

**VSTECS BERHAD**  
**[Registration No. 199501021835 (351038-H)]**  
**Directors' and Senior Management Remuneration Policy**

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**1. Introduction**

This Policy sets out the criteria to be used in recommending the remuneration package of Directors and Senior Management of VSTECS Berhad ("VSTECS" or the "Company"), which takes into account the demands, complexities and performance of the Company as well as the skills and experience required.

**2. Scope and Application**

2.1 This Policy should be read together with the following four (4) legislations:-

- (i) Companies Act, 2016 ("**CA 2016**");
- (ii) Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**");
- (iii) Malaysian Code on Corporate Governance ("**MCCG**"); and
- (iv) Capital Markets and Services Act, 2007.

2.2 This Policy is applicable to the following persons:-

- (i) Executive Director, which comprise solely the Chief Executive Officer ("**CEO**");
- (ii) Non-Executive Chairman and Non-Executive Directors; and
- (iii) Key Senior Management of the Group, as defined below:-

Senior Leadership Team	<ul style="list-style-type: none"> <li>• Shall exclude the CEO</li> <li>• Comprise the Group General Manager, Chief Financial Officer, General Manager of Subsidiaries, and, Chief Information Officer</li> </ul>
Senior Managers	<ul style="list-style-type: none"> <li>• Comprise Assistant General Manager, Financial Controller, Senior Manager of Marketing – Consumer, and, any other managerial position(s) as determined by the CEO</li> </ul>

2.3 Where there is conflict between the contents of this Policy and the aforementioned legislations in Clause 2.1, the relevant enumerations contained in the said legislations shall prevail.

2.4 This Policy shall be reviewed periodically by the Remuneration Committee and be made available on the corporate website of VSTECS Berhad at [www.vstecs.com.my](http://www.vstecs.com.my).

**3. Objectives**

This Policy is designed to:

- (i) Determine the level of remuneration package of Directors and Senior Management;
- (ii) Attract, develop and retain high performing and motivated Directors and Senior Management with a competitive remuneration package;

- (iii) Provide a remuneration such that the Directors and Senior Management are paid a remuneration commensurate with the responsibilities of their position;
- (iv) Provide an appropriate level of transparency to ensure the Policy underlying Directors' and Senior Management's remuneration is understood by investors and shareholders; and
- (v) Encourage value creation for the Company and its Stakeholders by attracting and retaining the right talent in the Board or management position.

#### **4. Remuneration Principles**

- 4.1 The maxim "Pay for Performance" is adopted in remunerating the CEO and Senior Management in order to promote the long term success of the Group. Performance is measured based on financial and non-financial key performance indicators ("KPI").
- 4.2 The CEO, as the head of senior management, is a full time salaried executive who is tasked to oversee to the day-to-day management of the Group. Salary paid to the CEO shall not include commission or percentage of profits or turnover.
- 4.3 The CEO has been delegated with full power over the recruitment and determination of reward structure of the key senior management. The Remuneration Committee shall monitor the remuneration payout to Senior Leadership Team and Senior Managers on an annual basis vide the presentation by the CEO.
- 4.4 The remuneration payable to the CEO shall be reviewed annually by the Remuneration Committee and put for approval of the VST ECS Board of Directors on an annual basis
- 4.5 Non-Executive Director is independent of the day-to-day management of the Group. Fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission or percentage of profits or turnover.
- 4.6 The fees and benefits payable to the Directors shall be put for approval of the shareholders at a general meeting on an annual basis.
- 4.7 Non-Executive Directors may act in professional capacity

Subject to the relevant Main LR of Bursa Securities, from time to time, recognising the differ skillset of the Non-Executive Chairman and Non-Executive Directors, the Group may engage the services of individual Non-Executive Director for a particular timeframe/ transaction/ project. Prior to such engagement, the Remuneration Committee shall be responsible for the undertake a review and make its recommendation to the Board accordingly.

#### **5. Remuneration Components of CEO and Senior Management**

##### **5.1 Fixed Remuneration for the CEO**

The CEO shall be accorded with a fixed basic salary. The fixed basic 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 Company;
- The corporate and individual performances; and

- Current market rate within the industry and in comparable companies.

## **5.2 Bonus**

The bonus in the case of CEO and Senior Management is designed to reward outstanding performance. The bonus is granted to reflect the CEO's and Senior Management's performance as well as the Group's results. A discretionary assessment is made to ensure that all factors which include measurable and not directly measurable are considered.

## **5.3 Fixed Fee for Members of Board of Directors**

5.3.1 Fixed Board Fees shall be accorded to the Non-Executive Chairman and Non-Executive Directors. The CEO, as the Executive Director shall not be entitled to the fixed Board Fees. The Chairman of the Board shall be remunerated with a higher Board Fee to reflect the lead role and additional responsibility assumed.

5.3.2 Fixed Committee Fees shall be accorded to the Chairman and Board Committee Members. The Board Committee shall include the following Committees and any other Committee as established by the Board from time to time:-

- Audit Committee;
- Nominating Committee; and
- Remuneration Committee.

The Chairman of the Board Committee shall be remunerated with a higher Committee Fee to reflect the lead role and additional responsibility assumed.

5.3.3 The fixed Board/Committee fees are determined according to:

- Parity with the rest of the market;
- The scope of the duty and responsibilities;
- The qualifications and contribution required in view of The Group's complexity;
- The extent of the duty and responsibilities; and
- The number of Board/Committee meetings (where applicable).

## **5.4 Other Benefits and Allowances**

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

- (i) Chairman's allowance;
- (ii) Meeting allowance;
- (iii) Directors' and Officers' Liability Insurance;
- (iv) Expenses incurred in the course of their duties as Directors; and
- (v) Benefit-in-kind such as motor vehicle, petrol, driver and accommodation.

## **6. Periodic Review and Disclosure**

6.1 The Remuneration Committee shall conduct a periodic review of the criteria to be used in recommending the remuneration package of Directors and CEO. The Remuneration Committee shall promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.

- 6.2 The Board shall disclose this Policy in the annual report.
- 6.3 Such report shall include details of the Directors' remuneration in accordance with the Main LR of Bursa Securities and the MCCG.

## **7. Review**

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

This Directors' and Senior Management Remuneration Policy is reviewed and approved by the Board of Directors on 13 November 2024.