



**WINSTAR CAPITAL BERHAD**  
Registration No. 202301049890 (1543804-K)

**REMUNERATION POLICY FOR  
DIRECTORS AND SENIOR MANAGEMENT**

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**TABLE OF CONTENTS**

<b>Section</b>	<b>Contents</b>	<b>Page</b>
1.0	INTRODUCTION	1
2.0	OBJECTIVE	1
3.0	KEY PRINCIPLES	1
4.0	REMUNERATION FRAMEWORK	2
5.0	REMUNERATION POLICIES AND PROCEDURES	3 - 4
6.0	GOVERNANCE OF REMUNERATION	4 - 5
7.0	APPROVAL	5

## **REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT**

### **1.0 INTRODUCTION**

The Nomination and Remuneration Committee (“**NRC**”) of Winstar Capital Berhad (“**Company**”) is responsible for ensuring that Directors and Senior Management are fairly remunerated for their responsibilities and contributions to the Company’s overall performance. The level of remuneration should remain competitive to attract, develop, reward, motivate, and retain Directors and Senior Management of high calibre.

This Remuneration Policy for Directors and Senior Management (“**Policy**”) sets out the principles for the NRC to determine and propose an appropriate level of remuneration for the Directors and Senior Management, taking into account the demands, complexities and performance of the Company and its subsidiaries (collectively referred to as the “**Winstar Group**”), as well as the skills and experience required.

### **2.0 OBJECTIVE**

The objective of this Policy is to structure the remuneration packages for Directors and Senior Management to attract, motivate, reward and retain the right talent. This will support the Company in pursuing its long term goals, ensuring business sustainability and driving growth.

### **3.0 KEY PRINCIPLES**

This Policy is guided by the following key principles in remunerating the Directors and Senior Management of the Company:

- (a) Remuneration packages for Executive Directors and Senior Management shall be commensurate with the responsibilities and complexities of their positions, as well as their performance and contributions to Winstar Group. The following criteria will be considered in determining their remuneration:
  - Scope of duty, responsibilities, skills and experience required
  - Winstar Group’s budgets and strategic targets
  - Corporate and individual performance
  - Achievement of annual Key Performance Indicators (“**KPIs**”), including both qualitative and quantitative KPIs as well as KPIs related to Environmental, Social and Governance metrics
  - Prevailing market practice and market benchmark
  - General economic situation
  
- (b) The remuneration of Non-Executive Directors shall be linked to their roles, the level of responsibilities they undertake and their overall contributions to the Board and/or Board Committees. The following criteria will be considered:
  - The number of Board committees on which the individual Director serves
  - Experience and level of responsibilities undertaken
  - Extent of contributions, effort and time spent
  - Prevailing market practice and market benchmarks

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*(Remuneration Policy for Directors and Senior Management – Cont'd)*

#### 4.0 REMUNERATION FRAMEWORK

##### 4.1 Executive Directors and/or Senior Management

Nature	Component	Description
Fixed	Base Salary	Salary levels take into account the nature of the assigned job position, level of skills and experience, and prevailing market conditions.
Fixed	Benefits	Benefits include statutory contributions to the Employees Provident Fund (EPF), Social Security Organisation (SOCSO), medical fees, medical or health insurance, motor vehicle, driver, mobile phone, commission, claims for travelling and entertainment. These benefits will be provided in accordance with Winstar Group's human resource policy and prevailing market practices.
Variable	Bonus/ Incentive	Performance-based remuneration is determined by individual performance indicators and overall contributions to Winstar Group. Goals and performance expectations for each Executive Director and Senior Management are set at the beginning of the financial year and will be reviewed mid-year and at year-end.
Variable	Stock Options	Executive Directors and Senior Management may receive share options, either vesting or non-vesting depending on market conditions, to align their actions with the long term objectives of Winstar Group.

##### 4.2 Non-Executive Directors

Nature	Component	Description
Fixed	Directors' Fees	The fixed fee is determined based on the following factors: <ul style="list-style-type: none"> <li>• Current market rates in similar industries</li> <li>• Scope of duties and responsibilities</li> <li>• Number of Board meetings and/or Board Committees' meetings attended</li> <li>• Qualifications and contributions required considering the Group's complexities</li> </ul>
Fixed	Meeting Allowance and Other Benefits	A reasonable fixed meeting allowance will be paid per meeting day, provided that attendance is a prerequisite for the payment.  Other benefits including flight tickets, accommodation and travelling expenses, among others, incurred in the course of performing duties as a Director of the Company, will also be provided.

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*(Remuneration Policy for Directors and Senior Management – Cont'd)*

## **5.0 REMUNERATION POLICIES AND PROCEDURES**

### **5.1 Remuneration of Executive Directors and/or Senior Management**

- (a) This Policy ensures that the level of remuneration for Executive Directors and Senior Management of the Company is set to provide market competitiveness, thereby attracting, rewarding, retaining and motivating the highest calibre individuals to competently manage Winstar Group.
- (b) The components of the remuneration package are structured to link remuneration with both corporate and individual performance and to align with similar packages at comparable companies (*of similar size and complexity locally and within the same industry in the region*).
- (c) The performance of Executive Directors and Senior Management is measured based on the achievement of their annual KPIs, both qualitative and quantitative. The weightage of qualitative and quantitative targets may be adjusted to align with Winstar Group's aspirations.
- (d) The achievement of each KPI by Senior Management is reviewed by the Chief Executive Officer, while the performance of Executive Directors is reviewed by the NRC and Board. Rewards for achieving KPIs may include an annual bonus, an increment to base salaries and approved stock options (*if any*), based on the terms of the scheme.
- (e) The remuneration packages (*including annual increments to base salaries*) for Senior Management are reviewed by the Chief Executive Officer. For Executive Directors, remuneration packages (*including annual increments to base salaries*) are reviewed and evaluated by the NRC and then presented to the Board for approval.
- (f) Bonuses for Executive Directors and Senior Management shall not be guaranteed, except in the case of a sign-on bonus.
- (g) Periodic compensation benchmarking will be conducted to assess the competitiveness of the Company's remuneration packages for Directors and Senior Management compared to other companies. However, to avoid the risk of rising remuneration levels without corresponding improvements in corporate and individual performance, such comparisons will be used with caution to prevent overcompensation.
- (h) In remunerating Executive Directors, the Board is guided by the overall performance of Winstar Group, the ability to manage stakeholders' expectations and the targets set by the Board.

### **5.2 Remuneration of Non-Executive Directors**

- (a) This Policy aims to develop a remuneration structure that is commensurate with the roles and responsibilities of Non-Executive Directors on the Board and/or Board Committees, ensuring it is sufficient to attract, incentivise and retain high quality Non-Executive Directors.

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*(Remuneration Policy for Directors and Senior Management – Cont'd)*

- (b) The remuneration packages for Non-Executive Directors shall be determined based on their qualifications, experience and competence, considering their responsibilities, time commitment and the annual evaluation conducted by the NRC.
- (c) Non-Executive Directors shall be paid fixed fees and meeting allowances. Fees payable to Non-Executive Directors shall be fixed and not based on a commission or percentage of profits or turnover. For meeting allowances, no distinction shall be made between participation in person and participation via video, teleconference or other electronic means that enable Non-Executive Directors to participate.
- (d) In remunerating Non-Executive Directors, the Board is guided by their contributions, individual performance, calibre, skills and experience.

## **6.0 GOVERNANCE OF REMUNERATION**

### **6.1 Oversight of Remuneration**

- (a) The NRC is responsible to assist the Board in implementing its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors and Senior Management.
- (b) The NRC is responsible to develop and administer a fair and transparent procedure for setting policy on remuneration of Directors and Senior Management so as to ensure that remuneration packages commensurate with the expected responsibility and contribution by the Directors and Senior Management on the basis of the individual's merit, qualification and competence, having regard to Winstar Group's operating results, individual performance and comparable market statistics and subsequently recommend it to the Board for adoption.
- (c) This Policy shall be implemented with input from the Audit and Risk Management Committee of the Company to ensure that risk exposures and risk outcomes are adequately considered. In considering the remuneration policy and procedures, NRC may also engage the external professional advisors where necessary.
- (d) Executive Directors do not form part of the composition of NRC. As such, Executive Directors play no part in the deliberation or decision making of their own remuneration matters but may attend the NRC meetings at the invitation of the Chairperson of the NRC, if their presence is required.
- (e) The remuneration of Executive Directors and Senior Management is approved by the Board as a whole. Each Director shall abstain from deliberations and voting on decisions in respect of his individual remuneration.

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*(Remuneration Policy for Directors and Senior Management – Cont'd)*

**6.2 Approval of Directors' Fee and Benefits Payable**

- (a) The fees and benefits payable of the Non-Executive Directors, fees and any non-contractual benefits payable to the Executive Directors (*if any*), and any compensation for loss of employment of an Executive Director or former Director of Winstar Group (*if any*) shall be approved at annual general meeting.
- (b) Salaries, bonus, benefits and other emoluments payable to Executive Directors pursuant to an employment contract or a contract of service need not be determined by the Company in general meeting but such salaries may not include a commission on or percentage of turnover.
- (c) Approval of Directors' fees and benefits payable may be sought in a prospective or retrospective manner. However, payment of Directors' fees shall only be made in arrears either on a progressive (e.g. monthly, quarterly) or lump-sum basis (i.e. year-end).
- (d) Directors who are also shareholders of the Company shall abstain from voting at the resolution in relation to the Directors' fees and benefits payable tabled at the general meetings of the Company.
- (e) A general mandate of shareholders shall not be sought for the approval of Directors' fees and benefits payable. The resolution contained in the notice seeking shareholders' approval for Directors' fees and benefits payable would include a quantitative breakdown of remuneration components and the corresponding period for which approval is sought.

**7.0 APPROVAL**

This Policy was reviewed and approved by the Board of Directors of the Company on 26 June 2024.