

WELL CHIP GROUP BERHAD
Registration No. 202301014119 (1508041-A)
(Incorporated in Malaysia)

REMUNERATION POLICY FOR DIRECTORS AND KEY SENIOR MANAGEMENT

1. INTRODUCTION

This Remuneration Policy outlines the principles and guidelines for the remuneration of the Board and Key Senior Management. A fair remuneration package is crucial for attracting and retaining the right talent within the Board and Key Senior Management, enabling them to pursue the long-term objectives and ensure the Group's business sustainability.

The policy aligns with the Companies Act 2016 (CA 2016), the Main Market Listing Requirements (MMLR) of Bursa Malaysia, the Malaysian Code on Corporate Governance (MCCG), and the Company's Constitution.

The Remuneration Committee supports the Board in implementing this policy effectively.

2. GUIDING PRINCIPLES

The Board shall have the ultimate responsibility for determining the remuneration of Board and Key Senior Management, taking into consideration the recommendations from the Remuneration Committee. This responsibility shall be exercised in accordance with the Company's Constitution.

Additionally, the following principles should guide the Remuneration Committee in proposing an appropriate level of remuneration:

Executive Directors (ED) and Key Senior Management

- Performance measures and targets are aligned with the business strategies and long-term objectives of the Group.
- Remuneration and rewards should be commensurate with the individual's performance and the Group's performance.
- In determining the appropriate level of remuneration, the Board should also take into consideration the Group's performance in managing material sustainability risks and opportunities.
- The remuneration packages shall remain competitive with relevant industry and market practices.

Non-Executive Directors (NED)

- Remuneration for non-executive Directors should be commensurate with their roles, responsibilities, time and commitment.
- The remuneration for Independent Directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed.

3. DEFINITION

This Remuneration Policy applies to the Board and Key Senior Management.

- Well Chip / the Company – Well Chip Group Berhad.
- Group – the Company and its subsidiaries.
- Directors / Board – The directors / board of directors of Well Chip Group Berhad.
- Key Senior Management – CEO, CFO, Director of Retail & Merchandising, Head of Corporate Services and Compliance Officer who hold the highest level of management position and is responsible for the business operation of the Group.
- Management – All executive Directors and Key Senior Management.
- Remuneration – Fees, remuneration and all other forms of consideration rendered to all Directors and Key Senior Management for their services. In determining the remuneration of Directors, the Remuneration Committee is guided by the provisions of the Company's Constitution.

4. REMUNERATION COMPONENTS & STRUCTURES

Executive Directors (ED) and Key Senior Management

- The remuneration for executive Directors and Key Senior Management consists of fixed monthly salary, allowances, and Company benefits as per Company policy and market practices.
- The fixed salary is determined based on:
 - I. Scope of duties and responsibilities;
 - II. Experience;
 - III. Individual performance; and
 - IV. Market rate within the industry and comparable companies.
- Bonus for the executive Directors and Key Senior Management is rewarded based on performance.
- Executive Directors are not entitled to be paid Directors' fees and meeting allowances.

Non-Executive Directors (NED)

- The remuneration of the non-executive Directors consists of Directors' fees for Board and Board Committees, reimbursement of expenses incurred in the course of their duties, and meeting allowances.
- The level of remuneration reflects the Directors' duties, responsibilities and time commitment as well as the Group's performance and industry standards.
- Non-executive Directors shall not be entitled to performance-based bonus or share options.

5. REMUNERATION REVIEW PROCEDURES

Executive Directors (ED) and Key Senior Management

- Management is tasked with proposing the remuneration packages for executive Directors and Key Senior Management, which is guided by the Group's Human Resources policies and procedures, among other factors. These proposals will then be recommended to the Remuneration Committee for review.
- The Remuneration Committee will consider the available market rate or benchmarks to assist the Board in formulating an attractive remuneration package to attract talent.
- Remuneration payable to executive Directors and Key Senior Management shall not include a commission on or percentage of turnover.
- The Board will consider and approve the remuneration packages for executive Directors and Key Senior Management based on the annual review and recommendations by the Remuneration Committee.

Non-Executive Directors (NED)

- Management will assist the Remuneration Committee in compiling Directors' fees benchmarks, which will be updated biennially, and present them to the Board for consideration.
- The Remuneration Committee will determine the remuneration for non-executive Directors based on their experience and the level of responsibilities and time commitment. Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of turnover.
- The Board shall review and approve the recommendations subject to shareholders' approval at annual general meetings.

6. DISCLOSURE OF REMUNERATION

The remuneration of Directors shall be made in the Company's annual report. This disclosure will include detailed information on Directors' remuneration in compliance with the Main Market Listing Requirements of Bursa Malaysia and the Malaysian Code on Corporate Governance.

7. REVIEW

This policy will be reviewed at least once every three years, and from time-to-time to ensure that it continues to remain relevant, appropriate and effective in its execution. The Remuneration Committee may seek independent professional advice to benchmark the remuneration practices against the current market. Any amendments to this policy shall be recommended by the Remuneration Committee and approved by the Board.

This Remuneration Policy was approved and adopted by the Board of Directors of Well Chip Group Berhad on 16th April 2025.
