

**CITAGLOBAL BERHAD**  
(formerly known as WZ Satu Berhad)  
(Registration No. 200401027590 (666098-X])  
(Incorporated in Malaysia)

**DIRECTORS AND SENIOR MANAGEMENT'S REMUNERATION POLICY**

**1. Introduction**

This policy sets out the criteria to be used in recommending the remuneration package of Executive Directors ("**EDs**"), Non-Executive Directors ("**NEDs**") (collectively referred to as "**Directors**") and Senior Management of Citaglobal Berhad (formerly known as WZ Satu Berhad) ("**CITAGLOBAL**" or "**the Company**") and is in line with the principles and practices of the Malaysian Code on Corporate Governance ("**MCCG**").

Practice 6.1 of the MCCG recommends that the board has in place policies and procedures to determine the remuneration of Directors and Senior Management, which takes into account the demands, complexities and performance of the company as well as skills and experience required.

The Board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

**2. Objectives**

The policy is designed with the aim to support the Company's key strategies and create a strong performance-oriented environment. The Remuneration Policy shall adhere to the following key principles:-

- Determine the level of remuneration package of Directors and Senior Management.
- Attract, develop and retain high performing and motivated Directors and Senior Management with a competitive remuneration package;
- Provide a remuneration such that the Directors and Senior Management are paid a remuneration commensurate with the responsibilities of their position;
- Total remuneration shall be set at levels that are competitive with the relevant market and industry.
- Incentive plans, performance measures and targets shall be aligned with shareholders' interest in mind.
- Provide an appropriate level of transparency to ensure the policy underlying Directors and Senior Management's remuneration is understood by investors.
- Ensure a level of equity and consistency.
- Encourage value creation for the Company and its Stakeholders.

**3. Remuneration Committee**

The Remuneration Committee determines the Company's remuneration practices with the aim of attracting, motivating and retaining high calibre Directors and Senior

Management to deliver value for shareholders. The Remuneration Committee is, among other things, responsible for the following:-

- To ensure the levels of remuneration be sufficiently attractive and be able to retain directors needed to run the Company successfully.
- To recommend to the Board of Directors the policy and framework for Directors' and Senior Management remuneration as well as the remuneration and terms of service of Executive Directors.
- To review annually and recommend to the Board the overall remuneration policy for the Executive Directors and Senior Management Officers of the Group to ensure that rewards commensurate with their contributions to the Group's growth, profitability and the policy supports shareholders' value consistent with its culture and strategy.
- To review annually the performance of the Executive Directors and Key Senior Management Officers and recommend specific adjustments in remuneration and/or reward payment if any, reflecting their contributions for the year and which are competitive and consistent with its culture and strategy.
- To ensure the level of remuneration for Non-Executive Directors and Independent Directors are linked to their level of responsibilities undertaken and contributions to the Board.
- To structure the total remuneration of executive directors so as to link rewards to corporate and individual performance.
- To assess the needs of the Company for candidates as and when required.
- To recommend to the Board of Directors for approval of the proposed remuneration packages of the Executive Directors.

The EDs concerned play no part in the decision of their own remuneration but may attend the Committee meetings at the invitation of the Chairman of the Remuneration Committee, if their presence is required. The determination of NED's remuneration is decided by the Board, as a whole and subject to shareholders' approval, with individual Directors abstaining from discussion of his or her own remuneration.

### **3.1 For Executive Directors and Senior Management:-**

#### ***Policy on Salaries***

The remuneration of EDs and Senior Management is made up of basic salaries, monetary incentives, and fringe benefits.

Salaries for EDs and Senior Management consist of both fixed (i.e. base salary) and variable (performance-based incentive) remuneration components. The remuneration levels of EDs and Senior Management are structured to enable the Company to attract and retain the most qualified Executive Board members and Senior Management.

Variable remuneration may contain any or all of the following:-

- Incentive payments to reward individuals for outstanding business contributions, and in meeting with established key performance indicators ("KPIs") and/or set at a level sufficient to provide the EDs and Senior Management with the motivation to achieve operational targets; and

- the Long Term Incentive Plan (“**LTIP**”) which is designed to link the ED and Senior Management’s reward with KPIs that drive sustainable growth in shareholder value over the long term, with the objective of aligning the ED’s incentives with shareholders’ interests, and to balance the short-term with long-term focus. The LTIP comprises:-
  - (a) the Executive Share Option Scheme (“**ESOS**”), to award the EDs and Senior Management with options to subscribe for new shares in the Company at a pre-determined subscription price, subject to the terms and conditions of the LTIP By-Laws; and
  - (b) the Executive Share Grant Scheme (“**ESGS**”), consists of the following two (2) components, subject to the terms and conditions of the LTIP By-Laws:-
    - Retention Share Plan, which is intended to recognise, incentivise and retain the EDs and Senior Management; and
    - Performance Share Plan, which is intended to incentivise and motivate the EDs and Senior Management to contribute to the growth of their respective business segments.

***Policy on Other Benefits (Non-Cash Benefits or Benefits-In-Kind)***

The Company may provide competitive benefits to EDs and Senior Management, such as a fully expensed car or cash alternative in lieu of car, company driver, fuel expenses, private medical insurance and life insurance. Allowances relating to business expenses (i.e. entertainment and travel) incurred are reimbursed such that no additional compensation is given to the EDs and Senior Management.

**3.2 For Non-Executive Directors:-**

The remuneration of NEDs is made up of Directors’ fees and meeting allowances. The level of remuneration for NEDs shall reflect the experience and level of responsibilities undertaken by the NED concerned. The remuneration of an NED shall not be based on commission, the percentage of profits, or turnover.

NEDs receive remuneration in the form of Directors’ fees and meeting allowances (collectively, known as emoluments) as compensation for their services plus the reimbursement of expenses incurred, if any, in the course of performing their services.

The emoluments of NEDs are reviewed by the Remuneration Committee and Board annually.

Fees payable to NED shall not be increased except in pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the meeting. Based on recommendations from the Remuneration Committee, the Board shall submit any adjustments in Directors’ fees to the General Meeting for approval by shareholders.

NEDs are not entitled to receive performance-based bonuses nor participate in short-term and/or long-term incentive plans.

The determination of NED’s remuneration is decided by the Board, as a whole and subject to shareholders’ approval, with individual NED abstaining from discussion of his or her own remuneration.

#### **4. Measurable Objectives**

On an annual basis, the Remuneration Committee shall discuss and agree on all measurable objectives for offering fair remuneration packages for Directors and Senior Management, and recommend them to the Board for adoption.

The Board is free to seek to improve one or more aspects of the remuneration packages and measure progress accordingly. On this, the Board may seek professional advice from outside sources to assist the Board in formulating an attractive compensation and benefits package that aims to attract, retain and motivate talents.

#### **5. Review of the Policy**

The Remuneration Committee should promptly communicate the new changes or amendments of the criteria to the Board of Directors and Senior Management.

On a periodic basis, the Remuneration Committee shall review and assess the effectiveness and continued relevance of this Policy.

This policy shall be made available at the Company's website on [www.citaglobal.my](http://www.citaglobal.my).