

REMUNERATION POLICY AND PROCEDURES FOR DIRECTORS AND SENIOR MANAGEMENT

1. Introduction

This policy sets out the criteria to be used in recommending the remuneration package of Directors and Key Senior Management (“KSM”) of Leader Steel Holdings Bhd (“Leader Steel” or “LSHB” or the “Company”) and is in line with the best practice provisions of the Malaysian Code on Corporate Governance (MCCG) 2012 and its subsequent revisions.

KSM refers to senior management staffs holding key management position in the Group including but not limited to Chief Executive Officer, Chief Operating Officer and Chief Financial Officer who are not holding a position as a Director of the Company

2. Objectives

This policy is designed to:

- 2.1 Determine the level of remuneration package of Directors and Group MD and KSM;
- 2.2 Attract, develop and retain high performing and motivated Directors and Group MD and KSM with a competitive remuneration package;
- 2.3 Provide a remuneration such that the Directors and Group MD and KSM are paid a remuneration commensurate with the responsibilities of their position; and
- 2.4 Encourage of value creation for the Company and its Stakeholders.

3. Remuneration Components

3.1. Fixed Remuneration for Group MD, Executive Directors and KSM

The fixed 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 performance; and
- Current market rate within the industry and in comparable companies.

3.2. Bonus

The bonus in the case of Group MD, Executives Directors and KSM is designed to reward outstanding performance.

The bonus is granted to reflect the Group MD, Executive Directors and KSM's performance as well as Group results. A discretionary assessment is made to ensure that all factors which include measurable and not directly measurable are considered.

3.3. Fixed Fee for Members of Board of Directors

The fixed fee is determined according to:

- On par with the rest of the market;
- Reflect the qualifications and contribution required in view of the Group's complexity;
- The extent of the duty and responsibilities; and
- The number of Board meetings

3.4. Other Benefits and Allowances for Members of Board of Directors

The benefits and allowances are determined by the Board per the Framework approved from time to time.

4. Periodic Review and Disclosure

The Remuneration Committee should conduct a review on an annual basis of the criteria to be used in the recommending the remuneration package of Directors, Group MD and KSM. The Remuneration Committee should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.

A copy of this policy shall be published on the Company's website.

5. Effective Date

This policy was last revised and reviewed on 24 February 2022.