



**JS SOLAR HOLDING BERHAD**  
[Registration No. 202401025305 (1571154-D)]

**REMUNERATION POLICY  
FOR DIRECTORS AND SENIOR MANAGEMENT**

**Adopted by Board : 9 December 2024**

**Effective Date : 9 December 2024**



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

### **1. INTRODUCTION**

The Nomination and Remuneration Committee (“**NRC**”) of JS Solar Holding Berhad (“**JS Solar**”) is responsible to ensure that Directors and Senior Management are fairly remunerated for their responsibilities and contributions to the Company’s overall performance. The level of remuneration should be remained competitive to attract, develop, reward, motivate and retain Directors and Senior Management of high caliber. 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 JS Solar and its subsidiaries (“**the Group**”) as well as skills and experience required.

### **2. PRINCIPLES**

This Policy is guided by the following key principles in remunerating the Directors and/or Senior Management of JS Solar:-

- (a) The remuneration of Directors and Senior Management shall be set at levels that are competitive with the industry and comparable competitors in order to attract, develop, motivate and retain talents as part of the Group’s succession planning.
- (b) The remuneration packages for Executive Directors and Senior Management shall commensurate with the responsibilities and complexities of their position, performance and contribution to the Group.
- (c) The level of remuneration of Non-Executive Directors shall be linked to their role, level of responsibilities undertaken and overall contributions to the Board and/or Board Committees. Fees payable to Non-Executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (d) Directors’ fees and benefits are subject to annual shareholders’ approval at general meetings. However, salaries and other emoluments payable to Executive Directors pursuant to a contract of service need not be determined by shareholders at general meeting.
- (e) Bonus to Executive Directors and Senior Management shall not be guaranteed, except in the context of sign-on bonus.
- (f) Compensation benchmarking will be conducted periodically to ascertain the competitiveness of JS Solar’s remuneration packages for Directors and Senior Management relative to other companies. However, given the risk of rising remuneration levels without commensurate improvements in corporate and individual performance, such comparison will be used with caution and avoid paying more than necessary.



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### 3. REMUNERATION STRUCTURE

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

Nature	Component	Description
Fixed	Base Salary	The salary levels take into account the nature of the job position assigned, level of skills and experience, and other market conditions.
Fixed	Benefits	Benefits include statutory contributions of Employees' Provident Fund (EPF), Social Security Organisation (SOCSO), medical fees, medical or health insurance, motor vehicle, driver, handphone, commission, travelling, entertainment claims, etc. Such benefits will be provided based on the human resource policy of JS Solar in the context of market practices from time to time.
Variable	Bonus/ Incentive	Performance based remuneration are determined based on individual performance indicators and overall contributions to JS Solar and the Group. Goals and performance expectation of each Executive Directors and Senior Management are set at the beginning of the financial year and will be reviewed mid and end of the financial year.
Variable	Stock Options	Executive Directors and Senior Management may receive share options that are vesting or non-vesting based on market conditions so as to align their actions with the long-term objectives of the Group.

#### 3.2 Non-Executive Directors

Nature	Component	Description
Fixed	Directors' fees	The fixed fee is determined based on the following: <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; and</li> <li>• qualifications and contribution required in view of the Group's complexities.</li> </ul>
Fixed	Meeting allowance and other benefits	A reasonable fixed meeting allowance will be paid on per meeting day with the condition that attendance is a prerequisite for such remittance.  Other benefits which include flight tickets, accommodation, travelling expenses, amongst others, incurred in the course of performing his duties as Director of JS Solar.



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#### **4. POLICY AND PROCEDURES**

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

- (a) This policy is to ensure that the level of remuneration of Executive Directors and Senior Management of JS Solar is generally set to provide market competitiveness to attract, reward, retain and motivate the highest calibre to competently manage the Group.
- (b) The component parts of the remuneration shall therefore be structured to link the remuneration package with corporate and individual performance and take into account similar packages at comparable companies (of similar size and complexity to the Group locally, and in the same industry in the region).
- (c) The performance of Executive Directors and Senior Management is measured based on the achievements of their annual key performance indicators (“KPIs”) (both qualitative and quantitative KPIs). The weightage of the qualitative and quantitative targets may be adjusted to accommodate JS Solar’s aspirations.
- (d) The evaluation on the achievement of each KPI by Senior Management against an agreed performance standard is reviewed by the Managing Director; whilst for Executive Directors, it is reviewed by the NRC. The rewards accorded to Executive Directors and Senior Management for their achievement of the respective KPIs shall comprise annual bonus and increment to their base salaries as well as approved stock options (if any) based on the terms of the scheme.
- (e) The evaluation of remuneration packages (including annual increment to the base salary) of Senior Management shall be reviewed by the Managing Director. Whereas, for Executive Directors, their remuneration packages (including annual increment to the base salary) shall be reviewed and evaluated by NRC and then tabled to the Board for approval.
- (f) In remunerating Executive Directors, the Board is guided by the overall performance of JS Solar, ability to manage stakeholders’ expectations as well as targets set by the Board.

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

- (a) This policy is also to develop a remuneration structure that is commensurate with the roles and responsibilities held by Non-Executive Directors at the Board and/or Board Committees and is sufficient to attract, incentivise and retain quality Non-Executive Directors.
- (b) The remuneration packages for Non-Executive Directors shall be determined on the basis of their qualification, experience and competence, having regard to their responsibilities, time commitment and annual evaluation as undertaken by the NRC.
- (c) Non-Executive Directors shall be paid at fixed fees and meeting allowances. As for meeting allowance, no distinction shall be made between participation in person and participation by video, teleconference or other electronic mode that permits Non-Executive Directors to participate.



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- (d) In remunerating Non-Executive Directors, the Board is guided by the contribution and individual performance, calibre, skills and experience of the Non-Executive Directors.

## **5. GOVERNANCE OF REMUNERATION**

### **5.1 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 the 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 JS Solar 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.

### **5.2 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 the 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 JS Solar 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).



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- (d) Directors who are also shareholders of JS Solar shall abstain from voting at the resolution in relation to the Directors' fees and benefits payable tabled at the general meetings of JS Solar.
- (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.

**6. REVIEW AND APPROVAL**

- 6.1 This Policy has been approved and adopted by the Board on 9 December 2024.
- 6.2 The NRC shall review and assess the effectiveness and continued relevance of this Policy periodically. Any revisions to the Policy as recommended by the NRC will be submitted to the Board for consideration and approval.