



BOARD COMPENSATION AND REMUNERATION POLICY

Issued by the Senior Director of Risk and Compliance

Approved by the Board, Jan 2023

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1. DEFINITIONS

Following are the terms defined under this Policy.

| Term | Definition |
|-------------------------|---|
| Executive Director | An Executive Director is an Employee of FIVE Holdings (BVI) Limited, who holds a senior management and executive role within the business. The statutory duties of Executive Directors extend to the whole of the business, and not just that part of it covered by their individual executive roles |
| Non-executive Directors | A Director on the Board of Directors who does not form part of the executive management team and is not an Employee of FIVE Holdings (BVI) Limited. The role of Non-executive directors is generally to provide an advisory or supervisory element to the Board |
| Employees | any person employed by, or in any other form of relationship of authority to, FIVE Holdings (BVI) Limited, irrespective of the duration of the employment, including independent contractors and secondees |
| Malus | Malus is the adjustment of bonus, unvested deferred bonus awards or unvested Long term Incentive plan (LTIP) awards, both under this Remuneration Policy, and under any previous remuneration policies |
| Clawback | Clawback is the recovery of payments made under the annual bonus, including deferred bonus shares, or vested LTIP payouts, both under this Remuneration Policy, and under any previous remuneration policies |
| Good Leaver | A Director shall be treated as a good leaver if he or she leaves due to indicative circumstances such as ill health, injury or disability, retirement with FIVE's agreement or redundancy, or death in service. The Board may decide to treat a Director as a good leaver if he/she leaves in any other circumstances vis-à-vis mentioned above. |
| Other Leaver | A Directors shall be treated as a other leaver if he or she chooses to leave for another job elsewhere unless the Board determines otherwise, or if he or she is summarily dismissed or leaves because of concerns about performance |
| Performance Share Plan | Under Performance Share Plan, a "Performance Share Award" is a right to receive shares of Common Stock, or a payment of the value thereof in cash, contingent on the achievement of certain performance goals of the Company specified by the Committee. A Performance Share Award shall be subject to such conditions, restrictions and contingencies as the Committee shall determine |

2. INTERNAL REFERENCE DOCUMENTS

| Sr. No. | Document Title |
|---------|--|
| 1. | Nomination and Remuneration Committee Terms of Reference |
| 2. | Disclosure Policy |
| 3. | Conflict of Interest Policy |

3. PREFACE

The Board Compensation and Remuneration Policy (referred to as ‘Policy’ hereafter) sets out the Remuneration Policy for Executive and Non-Executive Directors of FIVE Holdings (BVI) Limited its subsidiaries and affiliates (referred to as ‘FIVE’ or ‘the Company’ hereafter).

The Policy shall be proposed by the Nomination and Remuneration Committee (NRC) and approved by the Board. Subject to the approval of the Board, the Policy shall remain effective for three years from the date of approval.

4. PURPOSE

The Policy sets out the remuneration structure of FIVE’s Executive and Non-executive directors (“the Directors”) and the approach towards designing it. The objective of the Policy is to:

- create an appropriate alignment between incentivizing the performance of Directors and protecting the interest of other stakeholders of the Company
- attract and retain Directors, encourage a high-performance culture by ensuring share-based remuneration, the Company does this through a balance of fixed and variable pay, with the intent of creating a competitive total remuneration package

5. SCOPE

The Policy applies to all Executive and Non-executive Directors of FIVE.

6. GOVERNANCE

The Nomination and Remuneration Committee (referred as “the Committee” hereafter) shall monitor and review the Policy annually and recommend necessary changes and updates, in line with the applicable local laws and regulatory requirements.

The Committee shall ensure that the Policy is in line with relevant provisions of applicable local laws and regulations (collectively referred to as ‘the Regulations’ hereafter).

7. SETTING THE POLICY

Approach towards remuneration review

The total remuneration for Executive Directors shall be competitive in the market and a proportion of the remuneration shall be based on performance of Executive Directors.

In reviewing and implementing the Policy, the Committee may seek independent advice from external consultants and advisors and ensure that no Director makes decisions relating to their own remuneration. The Committee shall ensure that the Company’s Policy and practices

achieve the right balance between appropriate incentives to reward good performance, management of risk, and the pursuit of the Company’s strategic objectives.

Shareholder’s views

The Committee considers it vitally important to maintain clear and open communication with the Company’s shareholders.

A thorough consultation process shall be undertaken during the development of the Policy. The Company’s shareholders are encouraged to attend the AGM and any views expressed shall be considered by Committee members.

Consideration of conditions elsewhere in the Company

When determining the pay of Executive Directors, the Committee shall consider the pay arrangements for other Employees in the Company, to ensure that remuneration arrangements for Executive Directors remain reasonable.

8. LEGACY ARRANGEMENTS

Any payments relating to remuneration or any other payments for which the contractual terms were agreed with any Directors before this Policy came into effect shall be honored in line with the contractual terms.

9. POLICY TABLE

| Element | Remuneration Policy details |
|---|--|
| Remuneration for Executive Directors | |
| Fixed pay | |
| Base Salary | Purpose |
| | To provide an appropriate level of base salary to attract and retain Executive Directors with the required skill-set and experience required to achieve the Company’s strategic objectives. |
| | Operations |
| | Base Salary shall be reviewed annually and shall be fixed for 12 months from the Appointment Date The Committee shall determine the appropriate level of base salary through consideration of: <ul style="list-style-type: none"> • the salary of individuals undertaking similar roles in companies of comparable size and complexity • the range of salary increases applying across the Company • the scale, scope and responsibility of the individual’s role as Executive Director, including any changes in responsibility • the skills, experience, development, contribution, and performance of the individual in the role • business performance and the wider market and economic conditions • growth and development of incumbents Annual salary increase shall normally be in line with the market practice. <ul style="list-style-type: none"> • The circumstances where annual increase in salary may be above average increase shall include, but shall not be restricted to: <ul style="list-style-type: none"> ➤ growth within a role, to reflect a change in scope of role and responsibilities |

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| | <p>➤ where market conditions indicate a level of under-competitiveness and where the Committee anticipates a risk in relation to attracting or retaining Executive Directors</p> |
| | Performance Measures |
| | Base Salary shall not be subject to any performance measure. |
| Benefits | Purpose |
| | To attract and retain Executive Directors responsible for delivering the Company's strategic objectives with competitive benefits which are consistent with their role. |
| | Operations |
| | <ul style="list-style-type: none"> Executive Directors shall be entitled to benefits which include, but are not limited to car allowance, health insurance, personal insurance, financial planning assistance, etc. Additional benefits may be provided during the year at the discretion of the Committee In exceptional circumstances, such as the relocation of an Executive Director, or for a new hire, additional benefits may be provided in the form of a relocation allowance and benefits including, re-imbursalment of expenses for temporary accommodation, travel and legal and/or financial assistance, etc. <p>Given the complexity of assessing the future monetary cost of some benefits, the Committee shall not set an absolute limit on the value of benefits delivered but shall aim to ensure that the level of benefits provided remain in line with the Policy.</p> |
| | Performance Measures |
| | Benefits are not subject to any performance measure. |
| Pension | Purpose |
| | To support the long-term financial wellbeing and future stability of the Company's Executive Directors in return for their commitment to delivering the Company's strategic objectives. |
| | Operations |
| | <ul style="list-style-type: none"> Executive Directors may receive contributions into a defined contribution pension scheme or a cash allowance or a combination thereof Base salary is the only element of remuneration that is pensionable. <p>The maximum pension contribution or cash allowance for Executive Directors shall be in line with that available to participants in the pension plan relevant to the country where they are employed. Pension for Executive Directors shall be in line with applicable local laws across operations and geographies of base salary.</p> |
| | Performance Measures |
| | Pension is not subject to any performance measure |
| Variable Pay | |
| Annual Bonus Plan (ABP) | Purpose |
| | <ul style="list-style-type: none"> To reward annual performance against both financial and non-financial measures To align the role and responsibilities of Executive Directors with key strategic priorities To promote the long-term sustainable success of the Company |
| | Operations |
| | <ul style="list-style-type: none"> Executive Directors shall be entitled to receive an annual bonus under the Annual Bonus Plan |

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| | <ul style="list-style-type: none"> • Performance shall be assessed on an annual basis, using a combination of financial and non-financial measures of performance. The quantum of bonus shall depend on the performance measures • Bonus payouts shall be made annually or at any other frequency as decided by the Board. A part shall be paid in cash and remaining in the form of deferred shares which vest after three years subject to leaver provision as mentioned in Section 11. The Committee has discretion to make bonus payouts wholly in cash rather than part-cash and part-shares • Dividend equivalents may be provided during the holding period on vested shares received as a part of annual bonus • The Committee may exercise reasonable discretion to adjust the payout made under the ABP upwards or downwards after application of the performance measures to consider any relevant factors, including but not limited to, the Company's performance, Company's performance with respect to FIVE's competitors etc. Provided that in no case shall the payout exceed the maximum opportunity stated • Bonus payouts shall be subject to Malus and Clawback provisions • Sustainability performance objectives are integrated in the variable remuneration of the members by attaching 20% of the performance bonus with the actual achievement of sustainability targets defined in the Green Financing Framework |
| | <p>Performance Measures</p> |
| | <ul style="list-style-type: none"> • The percentage of maximum incentive that shall be based on the achievement of target financial measures, e.g., operating profit, revenue, etc. shall be decided by the Committee • Remaining shall be based on a mixture of strategic and personal measures, for example Environmental, Social and Governance (ESG) measures (such factors may include, but are not limited to, workplace fatalities and injuries, significant environmental incidents, large or serial fines or sanctions from regulatory bodies and/or significant legal judgements or settlements), which shall be reviewed annually. • The measures and targets shall be determined by the Committee and set in line with key strategic priorities of the Company • The annual bonus payout level shall increase on a linear scale from the threshold to target performance |
| <p>Long term Incentive plan (LTIP)</p> | <p>Purpose</p> |
| | <p>To reward and retain Executive Directors while aligning their interests with those of stakeholders by incentivizing performance over the longer term</p> |
| | <p>Operations</p> |
| | <ul style="list-style-type: none"> • The Executive Directors shall be entitled to LTIP that comprises of grants of performance share options and/or performance share awards (based on a fixed number), which are subject to the achievement of performance targets. • The LTIP shall be based on a performance period of at least three years. Additionally, there shall normally be at least two-year holding period following the end of the performance period. • Performance conditions shall be reviewed before each payout period to ensure that the payouts are in line with Policy • The Committee may exercise reasonable discretion to adjust the payout made under the ABP upwards or downwards after application of the performance measures to take into account any relevant |

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| | <p>factors, including but not limited to, the Company’s performance, Company’s performance with respect to FIVE’s competitors etc. Provided that in no case shall the payout exceed the maximum opportunity stated</p> <ul style="list-style-type: none"> • Shares granted under the LTIP are also subject to Malus and Clawback provisions |
| | <p>Performance Measures</p> <ul style="list-style-type: none"> • Payout under LTIP shall be subject to continued employment and the achievement of stretching targets. • Performance measures may be a mix of financial measures like operating profit, relative total shareholder returns, Return on Capital Employed, business performance as compared to the Company’s competitors etc. and non-financial measures like ESG, aligned with the Company’s long-term strategy • The incentive payout level shall increase on a linear scale from the threshold to target performance |
| <p>Remuneration for Non-executive Directors</p> | |
| <p>Non-executive Director’s fees</p> | <p>Purpose</p> <p>To attract and retain Non-Executive Directors with relevant skillset and experience in line with the strategic objectives of the Company</p> |
| | <p>Operations</p> <ul style="list-style-type: none"> • The fees for Non-Executive Directors shall be reviewed periodically, normally every three years. • The Committee shall review the Chairperson’s fee, whilst the Non-Executive Directors’ fee shall be reviewed by the Board of Directors, excluding the Non-executive Directors. • Fee levels for each role shall be determined after considering the responsibility of the role, the skills and knowledge required, relevant experience and the expected time commitments. • Additional fees may be paid to the Non-executive Directors at the discretion of the Committee in circumstances where the normal time commitment has been substantially exceeded |
| | <p>Governance</p> <p>The fees of the Chairperson shall be reviewed annually by the Committee, taking into account a range of factors including the time commitment, the responsibilities of the role and the fees paid by relevant market comparators reflecting the size and complexity of the Company</p> |
| | |
| <p>Shareholding Guidelines</p> | |
| | <p>Purpose</p> <p>To ensure that Executive Directors’ interests and the individual wealth are aligned with those of shareholders over a long-term performance period</p> |
| | <p>Operations</p> <ul style="list-style-type: none"> • The shareholding of CEO and other Executive Directors shall be based on the recommendations of the Nomination and Remuneration Committee, in line with the market practice • In addition, newly appointed Executive Director shall build a shareholding in the Company during the vesting of any share payouts. The failure to adhere to these requirements may lead to the Executive Director being excluded from participation in future share plan awards. • Shares held outright (including by a close personal relation) count towards the shareholding requirement. In addition, any vested but unexercised options, deferred bonus shares or vested LTIP share awards subject to a holding period shall count towards |

the shareholding requirement on a notional net of tax basis. Any awards still subject to performance conditions shall not count towards a shareholding requirement

- Post cessation shareholding requirements- Executive directors shall hold shares as recommended by the Nomination and Remuneration Committee.
- In cases where the individual has not had sufficient time to build up shares to meet the above levels, the requirement is set at the individual's actual level of shareholding at cessation of employment. The Committee on its discretion may waive the post-cessation shareholding requirements in certain exceptional circumstances
- The Committee shall establish transitional arrangements for the current Executive Directors whereby post-cessation shareholding requirements shall build as future payouts (i.e., those granted under this Policy) vest. Any newly appointed Executive Directors shall be subject, in full, to the post-cessation shareholding requirement.

Committee discretion

The Committee shall operate the ABP and LTIP (collectively referred to as 'Plans' hereafter) according to the Plan's respective rules and the Regulations.

The Committee shall retain and routinely exercise discretion over the operation and administration of these Plans, which is consistent with market practice. The discretions include, but are not limited to:

- the selection of participants in each Plan
- the timing of any grant of shares or payouts in case of Plans
- the size of a grant and/or a payment (within the limits described above)
- the annual review of performance measures, targets and weightings for the ABP and LTIP from year to year and make adjustments if required
- the final value of shares granted, or payments made, based on the achievement of performance targets that shall be pre-decided by the Committee
- determination of a Good/Other leaver for Plan purposes, based on the rules of each Plan
- adjustments (if any) required in cases of grant of shares in certain circumstances (e.g., rights issues, corporate restructuring events and special dividends)

Any use of the above discretions, where appropriate, shall be communicated to the Company's major shareholders.



Malus and clawback provisions can be operated in circumstances which include but are not limited to:

- material misstatement of the Company's financial results
- a material failure of risk management by the Company
- corporate failure
- reputational damage to the Company
- breach of health and safety standards
- misconduct or fraud by the executive

10. POLICY ON PAYMENT FOR LOSS OF OFFICE

The service contracts for Executive Directors are not fixed for a fixed duration but are terminable upon notice, 12 months' notice from the Company, six months' notice from the

Executive Director. It shall be available for shareholders to view at the AGM or on request from the Company Secretary.

| Element | Circumstances and approach taken |
|---|---|
| Base Salary, Benefits, Pension | <p>Good Leaver: paid up to date of termination or death, or in lieu of notice, if applicable</p> <p>Other Leaver: paid up to date of termination or death, or in lieu of notice, if applicable</p> |
| Annual Bonus Plan (ABP) | <p>Good leaver: paid up to the date of leaving, based on completed months worked in the year, with payment made on normal payment date. Any deferred shares received as a part of annual bonus from previous years which have not yet vested will vest at the normal vesting date for such deferrals. The Committee may determine, in its absolute discretion, that shares could vest as soon as practicable following cessation. On death, an immediate payment may be made to the designated beneficiary at the discretion of the Committee, taking into account performance and the proportion of the relevant bonus year served. Deferred bonus amounts will vest in full at the time of death.</p> <p>Other leaver: There shall be no entitlement to any shares under ABP for the current year and all deferred awards from previous years which are not yet paid shall be forfeited.</p> |
| Long-term Incentive Plan (LTIP) and Restricted Share Plan | <p>Good Leaver: Where the Executive Director has completed the required period of service set by the Committee then awards will typically vest on a proportionate basis. The Committee may determine, in its absolute discretion, that awards could vest as soon as practicable following cessation. The number of shares that vest in these circumstances shall be determined by the Committee taking into account the extent to which the performance conditions have been satisfied and, unless the Committee determines otherwise.</p> <p>On death, where the executive has completed the required qualifying period of service set by the Committee, unvested awards will vest to the extent determined by the Committee taking into account the extent to which performance conditions have been satisfied and, if the Committee considers it appropriate, the period that has elapsed since grant.</p> <p>Other Leaver: All outstanding awards lapse</p> |

11. APPROACH TO REMUNERATION ON RECRUITMENT AND PROMOTION

The approach to remuneration for newly recruited or promoted Directors shall be in line with the Policy Table set out in [Section 9](#).

- In case of Base Salary, in some circumstances e.g., to reflect an individual's experience at a listed company Board level, it may be considered appropriate to set initial salary levels above the present incumbents to attract the desired skilled Directors and subject to an individual's continued performance in the role. The new salary shall be positioned at or below market median
- For ABP, the payouts shall be pro-rated to reflect the employment period during the ABP year. Depending on the timing and nature of appointment it may be necessary to modify performance criteria for their first bonus payout

Buy-out awards

To facilitate an external appointment of Directors, it may be necessary to pay buy-out remuneration which would be forfeited on an individual leaving their previous employer. When determining the quantum and structure of any buy-out awards the Committee shall, take into account the following factors:

- the form of remuneration (cash or shares)
- timing of expected payment/vesting of pre-existing awards
- expected value (i.e., considering the likelihood of achieving the existing performance criteria).

Buy-out awards, if used, shall be granted using the Company's existing share plans to the extent possible, although awards may also be granted outside of these plans, if necessary and as permitted under the Regulations.

Service contracts will be entered into on terms similar to those for the existing Executive Directors.

With respect to the appointment of Non-Executive Director, the approach will be consistent with the Policy Table in [Section 9](#).