



TECK GUAN PERDANA BERHAD

(Company No. 307097-A)
Incorporated in Malaysia

REMUNERATION POLICY OF DIRECTORS AND SENIOR MANAGEMENT

Adopted 29th January 2018

REMUNERATION POLICY OF DIRECTORS AND SENIOR MANAGEMENT

POLICY STATEMENT AND PURPOSE

Remuneration to the Directors and Senior Management of the Company shall reward and be used to align individual performances with the Group's short and long term goals and this Policy is to ensure that the remuneration of Directors and Senior Management remains competitive to attract and retain the right talent and of such calibre, as well as to motivate and drive their diligence, dedication and competency level towards successful implementation of the strategies and long-term vision of the Company.

DETERMINATION OF EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT REMUNERATION

The remuneration package for Executive Directors and Senior Management ("Key Executives") should be set at a competitive level for similar roles within comparable markets to recruit and retain high quality Key Executives. Individual pay levels should reflect the performance, skills and experience of the individual as well as responsibility undertaken and is structured so as to link the short and long-term rewards to both corporate and individual performance. The following criteria serve as guidance in developing the remuneration package of the Key Executives:

- a. Determine an appropriate measure of performance such as agreed business target, revenue, profit, operating margin and growth, earnings per share, return on equity or any relevant key performance indicator;
- b. In reviewing the remuneration package, take into account the complexity of the Company's business and the individual's responsibilities and ensure the package should also be aligned with the business strategy and long-term objectives of the Company; and
- c. To review the annual assessment on each Key Executive and develop the remuneration package taking into consideration the performance, achievement and time commitment of each Key Executive.

DETERMINATION OF NON-EXECUTIVE DIRECTORS' REMUNERATION

For Non-Executive Directors, the review of the Directors' fees should take into account the trends for similar positions in the market, experience, skills, expertise and the time commitment required from the Director. The remuneration package for Independent Directors should not conflict with their obligation to bring objectivity and independent judgment on matters discussed at Board meetings.

PROCESS AND PROCEDURES

The Nomination & Remuneration Committee shall review the remuneration and fees of the Directors annually and submits its recommendations to the Board on specific adjustments and/or reward payments that reflect their respective performance and contributions throughout the year.

No Director shall participate or vote on the deliberation and decision concerning his/her own remuneration.

The Board of Directors is further guided by:

- a. the MMLR which prescribed that fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover, and that salaries payable to Executive Directors may not include a commission on or percentage of turnover; and
- b. the provisions of the Companies Act 2016 which require annual shareholders' approval for payment of Directors' fees and benefits.

REVIEW

This Policy shall be reviewed from time to time by the Board to ensure it remains effective, relevant and in tandem with the Company's corporate objectives, culture and strategies.