



## **BOARD REMUNERATION POLICY**

## 1. Introduction

The Board's Remuneration Policy is designed with the aim to support the Company's key strategies and create a strong performance-orientated environment and be able to attract, motivate, retain and fairly reward its Board members.

The Remuneration Policy shall adhere to the following key principles: -

- The remuneration should be set at levels that are competitive with the relevant market and industry; and
- Executive Directors' remuneration should be linked to performance i.e., through the achievement of performance targets.

## 2. Objective

- a) To align and balance the interests of the Company's Board of Directors, the Executive Management, the Company itself and its Shareholders.
- b) To attract, motivate and retain qualified members of the Board of Directors and the Executive Management in order to support the achievement of strategic long-term goals and short-term goals of the Company as well as to promote value creation for the benefit of the Shareholders.
- c) The remuneration of the Board of Directors and Executive Management shall be in line with market practice and competitively comparable with other listed companies.
- d) To ensure there is transparency and fairness in executive remuneration policy and practices.
- e) To strengthen attraction and retention strategies for Executives.
- f) To attract and retain appropriately qualified and experienced Directors.
- g) To remunerate Directors fairly having regard to their responsibilities, including providing leadership and guidance to management.
- h) The Nomination & Remuneration Committee ("NRC") is responsible for setting the policy framework and recommend to the Board the appropriate remuneration of Directors so as to ensure that the Company is able to attract and retain its Directors needed to run the Group successfully including reviewing and recommending matters relating to the remuneration of Board, Board Committee and Senior Management.

**3. Determination of the Remunerations**

- a) The Board recognises the need to be competitive in today's volatile business environment and the Directors' remuneration packages are dictated by market competitiveness and the level of experience or responsibilities involved.
- b) The practice is to ensure that the remuneration packages are tailored to retain and motivate Directors of the quality required to manage the business of the Company and to align the interest of the Directors with those of the Shareholders.
- c) The Directors fee and associated costs must not place an inappropriate burden on the Company's finances.
- d) In determining the remuneration of Non-Executive Directors, the NRC is guided by the provisions of the Company's Constitution which provides the following (in respect of Non-Executive Directors): -

Clause 132

- 1) The fees of the Directors, and any benefits payable to the Directors including any compensation for loss employment of a Director shall from time to time be determined by an Ordinary Resolution of the Company in general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree PROVIDED ALWAYS that: -
  - a) fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on a percentage of profits or turnover;
  - b) salaries and other emoluments including benefits payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting such salaries and emoluments may not include a commission on a percentage turnover; and
  - c) a Director may appoint a person approved by a majority of his co-Directors to act as his alternate, provided that any fee or benefits paid by the Company to the alternate Director shall be deducted from that Director's remuneration.
- 2) The Directors shall be entitled to be reimbursed all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or any committee of the Directors of general meeting or otherwise howsoever incurred in the course of the performance of their duties as Directors.

- 3) Any Directors who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Constitution.

Any fee and benefits paid to an alternate Director shall be such as agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

#### **4. Policy on Salaries of Executive Director**

- (i) An appropriate remuneration package of the Executive Director (“ED”) is necessary to ensure the Company’s continued ability to attract and retain the most qualified Executive Board members.
- (ii) Salary for EDs consists of basic salaries, monetary incentives and fringe benefits linked to the achievement of corporate performance targets. ED’s remuneration shall be in accordance with their respective service contracts.
- (iii) EDs shall be entitled to benefits provided to Employee of the Company and other additional benefits as approved by the Board.
- (iv) Allowances relating to business expenses (i.e., entertainment and travel) incurred are reimbursed in such a way as to give rise to no additional compensation to the ED.
- (v) ED shall be entitled for Director’s Fees, Board meeting allowance and other benefits for his appointment as a Director of TDM Group.

#### **5. Policy on Remuneration of Non-Executive Directors (NEDs)**

- (i) NEDs shall receive remuneration in the form of Directors’ fees, meeting allowances as compensation for their services and also the reimbursement of expenses incurred in the course of performing their services.
- (ii) The level of remuneration for the NEDs must reflect the following: -
- experience and level of responsibilities undertaken by the NED concerned.
  - required competencies, effort and scope of Board work, including number of meetings.
- (iii) NEDs are not entitled to receive performance-based bonuses nor participate in short-term and/or long-term incentive plans.
- (iv) Non-Executive Directors will not participate in schemes designed for the remuneration of executives.

**6. Review of Non-Executive Directors' Remuneration**

- a) The NRC may from time to time seek independent advice on remuneration of Non-Executive Directors and make appropriate recommendations to members in relation to any increase in total fees.
- b) The remuneration of the Non-Executive Directors shall be reviewed every year by the NRC. In conducting the review, the assistance of an independent professional advice can be sought to provide the NRC with the latest development and up to date information in respect of the remuneration of Non-Executive Directors.
- c) Any review shall be tabled to the Shareholders at general meeting for approval.

**7. Shareholders' Approval**

The remuneration of Directors including salary, fee, allowance and other entitlement will be presented at the AGM for Shareholders' approval. Individual Directors do not participate in decisions regarding their own remuneration package. The NRC is guided by market norms and industry practices when making recommendations for the compensation and benefits of Directors.

**8. Review of Policy**

- (i) This policy is subject to regular review by the Board and will be amended as appropriate to reflect the current best practices.
- (ii) The policy may be amended by resolution of the Board.

**9. Disclosure**

The Board will make appropriate disclosure to Shareholders in its Annual Report of the key aspects of this Policy, including explaining any departure from the best practices and recommendations as set out by the Malaysian Code on Corporate Governance (if any).

The Board shall include a detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments in the Annual Report and the Corporate Governance Report of the Company.

Approved by the Board on 30 March 2023