



REMUNERATION POLICY

1. OBJECTIVES

The Board of Directors of Tek Seng Holdings Berhad (“the Board”) has adopted this Remuneration Policy (“Policy”) to assist Tek Seng Holdings Berhad (“the Company”) in providing a fair and competitive remuneration to Directors and Senior Management to attract, motivate and retain caliber directors with competitive remuneration package.

The Policy is subject to periodic review to ensure their relevance and compliance.

2. ELEMENTS OF REMUNERATION OF EXECUTIVE DIRECTORS

| Component | Approach of the Company |
|------------------|---|
| Base Salary | Executive directors will be remunerated with a base salary, taking into account the level of accountability & responsibilities, skills & experiences, complexity of the work, similar industry benchmark, market condition and the overall performance of the Group in which the salary of each executive director will be determined by the Board upon recommendation of the Remuneration Committee (RC) annually. |
| Director’s Fee | The fees payable to executive directors shall be decided by the Board as a whole upon the recommendation of the RC and are subject to annual shareholders’ approval at the Annual General Meeting (AGM). |
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| Annual Bonus | The annual bonus payable to executive directors will be based on the director's performance and Group's financial results. The annual bonus will be determined by the Board upon recommendation of the RC annually. |
| Benefits | Executive directors are entitled to a range of competitive benefits, taking into account the position & seniority, level of responsibilities, comparable roles, individual circumstances and overall cost to the Group: (a) a fully expensed car with driver (b) medical & life insurance for director (c) medical expenses (d) training & development courses (e) mobile phones and expenses (f) petrol & travelling allowances (g) reimbursements relating to business expenses |
| Other benefits | Other benefits which are not in the service contract shall be determined by the Board as a whole upon the recommendation of the RC and are subject to annual shareholders' approval at the AGM. |



3. ELEMENTS OF REMUNERATION OF NON-EXECUTIVE DIRECTORS

| Component | Approach of the Company |
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| Director's Fee | Non-executive directors will be remunerated by way of a fixed fee. The fees payable to non-executive directors shall be decided by the Board as a whole upon the recommendation of the RC and are subject to annual shareholders' approval at the AGM. |
| Committee's Fee | The RC also recommends to the Board additional fees payable for membership and/or chairmanship of a Board Committee, taking into account the expected time commitment, level of responsibilities and contribution of the role. Such fees payable to non-executive directors are subject to annual shareholders' approval at the AGM. |
| Benefits | Non-executive directors are entitled to the following benefits: (a) meeting allowance (b) travelling & accommodation (c) training & development courses (d) Directors and Officers insurance (e) other benefits if required for business purposes The benefits payable to non-executive directors shall be decided by the Board as a whole upon the recommendation of the RC and are subject to annual shareholders' approval at the AGM. |



4. ELEMENTS OF REMUNERATION OF SENIOR MANAGEMENT

| Component | Approach of the Company |
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| Base Salary | Senior management will be remunerated with a base salary, taking into account the level of responsibilities, skills & experiences, complexity of the work, commitment, role contribution and industry benchmark in which the salary of each senior management will be determined by the executive chairman annually. Any increase in salary is based on individual circumstances which include the increase to reflect individual's performance and scope of work. |
| Annual Bonus | The annual bonus payable to senior management will be based on individual performance and Group's financial results. The annual bonus will be determined by the executive chairman annually. |
| Benefits | Senior management are entitled to a range of competitive benefits, taking into account the position, level of responsibilities, comparable roles, individual circumstances and overall cost to the Group: (a) medical insurance (b) medical expenses (c) training & development courses (d) transport allowances (e) reimbursements relating to business expenses |

Date : 24 February 2021