



TPC PLUS BERHAD

Registration No. 200301012910 (615330-T)
(Incorporated in Malaysia under the Companies Act, 1965)

REMUNERATION POLICIES AND PROCEDURES FOR DIRECTORS AND SENIOR MANAGEMENT

Reviewed by the Nomination and Remuneration Committee and
approved by the Board of Directors on 28 February 2022

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1. INTRODUCTION AND OBJECTIVE

- 1.1 This Remuneration Policies and Procedures for Directors and Senior Management ("**Remuneration Policy**") is developed by the Management in line with Practice 7.1 of the Malaysian Code on Corporate Governance and adopted by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.
- 1.2 The primary objective of this Remuneration Policy is to ensure that the Directors and Senior Management of TPC Plus Berhad ("**TPC**" or "**the Company**") and its subsidiary companies (collectively referred to as "**TPC Group**" or "**the Group**") are fairly remunerated based on their level of responsibilities of the position occupied, the competencies required and the contribution made towards the long term business strategies of TPC Group.
- 1.3 Senior Management referred to in this Remuneration Policy shall include the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Senior General Managers, General Managers and any other persons holding an equivalent position or primarily responsible for the operations or financial management of TPC Group by whatever name called whom the Nomination and Remuneration Committee ("**NRC**") shall consider as being member of senior management.

2. PRINCIPLES FOR DIRECTORS' REMUNERATION

- 2.1 This Remuneration Policy shall be guided by the following key principles in remunerating the Directors of the Company:
- 2.1.1 Salaries payable to Executive Directors shall not include a commission on or percentage of turnover ¹ ;
- 2.1.2 Fees payable to Non-Executive Directors shall be by a fixed sum and not by a commission on or percentage of profits or turnover ¹ ;
- 2.1.3 Fees and any benefits (including meeting allowance) payable to Directors are subject to annual shareholders' approval at a general meeting ² ;
- 2.1.4 Salaries and benefits-in-kind payable to Executive Directors in pursuance of an employment contract and/or given due to his office as executive or management position shall not require shareholders' approval at a general meeting ³ ;

Note

1. Paragraph 7.23 of the Listing Requirements and Clause 24.1 of the Company's Constitution.
2. Section 230(1) of the Companies Act 2016, Paragraph 7.24 of the Listing Requirements and Clause 24.1 of the Company's Constitution.
3. FAQ on Companies Act 2016 and transitional issues (Part F) from Suruhanjaya Syarikat Malaysia.

- 2.1.5 Any fees payable to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter ⁴ ; and
- 2.1.6 Any compensation for loss of employment of a Director or former Director shall be approved by the shareholders at a general meeting ⁵.

3. REMUNERATION STRUCTURE

3.1 The table below summarises the main component that shall form the remuneration packages of Directors and Senior Management of the Company:

3.1.1 Executive Directors and Senior Management

Component	Component description
Base salary	A monthly payment based on job functions and responsibilities, level of expertise, skills and experiences and other market conditions.
Bonus / Incentive	Annual bonus or incentive will be paid to reward, retain and motivate the individual depending on the performance of the Group for the relevant financial year and also the contribution of the individual towards the Company or Group.
Salary increment	Salary increment, if any, shall be determined by the current economic situations and taking into consideration the role, scope, level of duties and responsibilities and contributions of the individual towards the Company or Group.
Other benefits	Other benefits may include annual leave, contribution towards Employee Provident Fund (EPF) and Social Security Organisation (SOCSO), medical and life insurance, staff purchase discounts and perquisites, e.g. company car, car allowance and/or driver based on the Group's Employee Handbook.
Fees	Fees for Executive Directors are based on their responsibilities, skills and expertise contributed to the Board.

Note

4. Paragraph 7.31(d) of the Listing Requirements Clause 24.1(c) of the Company's Constitution.
5. Section 230(1) of the Companies Act 2016 and Clause 24.1 of the Company's Constitution.

3.1.2 Non-Executive Directors

Component	Component description
Fees	Fees for Non-Executive Directors are based on their responsibilities, skills and expertise contributed to the Board.
Meeting allowance	Meeting allowance will be paid on per-day basis with the condition that attendance is a prerequisite for such remittance.

- 3.2 Directors and Senior Management may be reimbursed for all travelling, hotel and other expenses properly incurred in the course of performing his duties or other things required of him as a Director or Senior Management of the Company.
- 3.3 Directors and Senior Management may be accorded with Directors and Officers liability insurance in respect of any liability (civil or criminal) arising in the course of discharging their duties provided that such liabilities were occasioned in good faith and not as a result of negligence, default or breach of duty. The premium paid for such insurance shall be borne by the Company and does not form part of the benefits given to the Directors and Senior Management of the Company as part of their remuneration packages.

4. PROCEDURE

- 4.1 The NRC shall assist the Board in implementing this Remuneration Policy and ensure that the remuneration packages of the Directors commensurate with the expected responsibilities and contribution by the Directors.
- 4.2 The remuneration of Non-Executive Directors will be reviewed annually by the NRC and proposed to the Board for consideration with the Director concerned abstained from deliberation and voting on the decision in respect of his remuneration.
- 4.3 Executive Directors should not be involved in discussions to decide on their remuneration ⁶. The remuneration packages (including annual increment to the base salary) of Directors who hold an executive office in the Company shall be reviewed and evaluated by the NRC and then tabled to the Board for consideration.
- 4.4 The Board of Directors shall propose the Directors' fees and any benefits payable to Directors including any compensation for loss of employment of a Director or former Director for the approval by the shareholders at a general meeting.

Note:

6. Guidance 7.2 of the Malaysian Code on Corporate Governance.

- 4.5 Directors who are shareholders; and controlling shareholders with a nominee or connected director on the Board shall abstain from voting on the resolution to approve Directors' fee at the general meeting ⁶.
- 4.6 The review and evaluation of the remuneration packages (including annual increment to the base salary) of Senior Management shall be carried out by the NRC.
- 4.7 All claims and reimbursements for expenses incurred by the Directors or Senior Management in discharging their duties must be accompanied with receipts and submitted to the Accounts or Finance Department for processing on a timely manner.

5. DISCLOSURE OF REMUNERATION

- 5.1 The breakdown of the Directors' remuneration (including the remuneration for services rendered to TPC as a group) for each financial year will be disclosed in the Company's Annual Report on a named basis ⁷.
- 5.2 The Board shall disclose on a named basis the top five Senior Management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000 ⁸ in the Corporate Governance Report. The top five Senior Management team members shall refer to the five highest paid Senior Management members of the Company ⁹.
- 5.3 The Company shall also disclose the remuneration of the Directors, when required, in complying with all statutory and regulatory requirements.

6. REVIEW OF THIS POLICY

- 6.1 This Remuneration Policy shall be reviewed periodically by the NRC to ensure that it remains relevant and appropriate at all times.
- 6.2 Any recommendation made by the NRC to amend this Remuneration Policy will require the approval of the Board of Directors.
- 6.3 This Remuneration Policy shall be made available on the Company's website ¹⁰.

Note

7. Paragraph 11, Part A, Appendix 9C of the Listing Requirements and Practice 8.1 of the Malaysian Code on Corporate Governance.
8. Practice 8.2 of the Malaysian Code on Corporate Governance.
9. Page 260 of the Corporate Governance Guide, Pull-out 1, 4th Edition.
10. Practice 7.1 of the Malaysian Code on Corporate Governance.