

# TANCO HOLDINGS BERHAD

(Company No. : 3326-K)

---

## REMUNERATION POLICY AND PROCEDURES

---

### 1. Policy

- (a) This Remuneration Policy and Procedures applies to the Directors, Directors of subsidiaries and Key Senior Management of Tanco Holdings Berhad (together with its subsidiaries, together hereinafter referred as “the Tanco Group”).
- (b) The Board of Directors (“the Board”) of Tanco should ensure transparent remuneration policies and procedures through the formation of the Remuneration Committee comprising non-executive directors.
- (c) The Remuneration Policy for Directors, Directors of subsidiaries and Key Senior Management is designated to attract and retain talents of high calibre needed to run the Group successfully.
- (d) The policy ensures Directors and Key Senior Management are offered an appropriate level of remuneration and other benefit.
- (e) The remuneration package shall be determined based on the following principles: -
  - The Company’s financial performance
  - The achievement of the Group’s and respective business divisions’ objective
  - The individual’s performance, responsible areas of responsibility and experience
  - The nature of business of the Company.

### 2. Procedures

- (I) Executive Directors (including Group Managing Director & Group Executive Director) and Key Senior Management
  - (a) The Remuneration Committee assists the Board in reviewing annually or when need arises and the Board approves the remuneration package for Executive Directors including Group Managing Director & Group Executive Director) and Key Senior Management staff based on the following: -
    - Basic salaries and any increments (as a percentage of basic salary)
    - Annual bonuses
    - Fringe benefits-in kind, such as company car, body guard, driver, medical, dental and insurance benefits and club membership if any;
    - Other terms of employment as and when the need arises.

- (b) The remuneration of Key Senior Management shall be governed by the Company's Staff Policies and Procedures, which will be reviewed against the industry benchmark in which the Company operates, with appropriate package in attracting and retaining qualified talents.

(II) Non-Executive Directors

Non-Executive Directors receive remuneration in the form of Directors' fees, benefits-in-kind (such as petrol card, driver, hand phone allowance and Group personal Accident & Group hospitalization and etc) and other emoluments as compensation for their service plus the reimbursement of expenses incurred, if any, in the course of performing their services.

The level of remuneration for Non-Executive Directors shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. The remuneration of a Non-Executive Director shall not be based on commission, the percentage of profits or turnover.

**3. Review of This Policy**

This policy is subject to regular review by the Remuneration Committee and will be amended as appropriate to align with the current market practices and requirements of the Malaysian Code on Corporate Governance and any other new requirements. Amendment to this policy must be tabled to the Board for approval. The latest copy of this policy shall be made available on the Company's website.