

REMUNERATION POLICY

1. INTRODUCTION

This Remuneration Policy (“**Policy**”) is designed to support the strategies and long-term vision of Tuju Setia Berhad (“**Company**”) and its subsidiary (collectively referred to as the “**Group**”) and structured to provide incentives for Directors and Key Senior Management to pursue the long-term growth objectives of the Group.

2. OBJECTIVES

The main objective of this Policy is to serve as a guide to determine the level of composition of remuneration of Directors and Key Senior Management which take into account the demands, complexities and performance of the Group as well as skills and experience required.

3. REMUNERATION PRINCIPLES

The Group is guided by the following principles in remunerating its Directors and Key Senior Management:

- a. Fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- b. Salaries payable to Executive Directors shall not include a commission on or percentage of turnover;
- c. Bonuses to Executive Directors and Key Senior Management shall not be guaranteed, except in the context of sign-on bonuses.

4. REMUNERATION STRUCTURE

4.1 REMUNERATION FOR EXECUTIVE DIRECTORS AND KEY SENIOR MANAGEMENT

4.1.1 Fixed Remuneration / Salaries

The fixed salaries are determined according to the scope of the duty, responsibilities, qualifications, level of skill and experience. Base salaries are reviewed annually, taking into account the comparable market rate within the industry, the performance and achievement of the Group as well as the individual and other factors deemed appropriate.

4.1.2 Annual Bonus

The variable bonus incentivises and rewards individual for their performance, efforts and achievement subject to the Group performance targets.

4.1.3 Other Benefits

The benefits provided include contribution of EPF, SOCSO, medical benefits, insurance coverage, motor vehicle, driver, petrol allowance, mobile devices, telephone allowance, club membership, travelling and entertainment claims and other business expense allowances or claimable benefits that based on the Group's human resource policy as may be determined from time to time.

4.2 REMUNERATION FOR NON-EXECUTIVE DIRECTORS

4.2.1 Fixed Director Fees

The Director's Fees are determined according to the level of skill, qualification and experience required, the scope of duty and responsibilities, and the current market rate within the industry and in comparable companies.

4.2.2 Meeting allowances and other benefits

Meeting allowances will be paid to Non-Executive Directors for the purpose of attending Board or Committee meetings.

Other benefits which include flight tickets, accommodation, travelling expenses, amongst others, incurred in the course of performing duties or other things required as a Director of the Company.

5. GOVERNANCE OF REMUNERATION

5.1 Oversight of remuneration

- 5.1.1 The Remuneration Committee ("RC") shall assist the Board in implementing the Policy on remuneration include reviewing and recommending matters relating to the remuneration of Directors and Key Senior Management;
- 5.1.2 The RC shall develop and administer a fair and transparent procedure for setting policy on remuneration of Directors and Key Senior Management so as to ensure that remuneration packages are determined on the basis of the Directors' and Key Senior Management's merit, qualification and competence, while having regard to the Group's operating results, individual performance and comparable market statistics;
- 5.1.3 Executive Directors do not form part of the composition of the RC. As such, Executive Directors play no part in deliberation or decision-making of their own remuneration matters but may attend the RC meetings at the invitation of the Chairman of the RC, if their presence is required;

- 5.1.4 The annual salaries, incentive arrangements, service arrangements and other employment conditions for the Executive Directors are to be reviewed by the RC and recommend to the Board for approval;
- 5.1.5 Key Senior Management who reports to the Executive Directors are evaluated annually by the Group Managing Director premised on annual measurements and targets set. The Group Managing Director in consultation with the other Director decide on the remuneration of Key Senior Management and thereafter update the Board accordingly.

5.2 Directors and Officers Liability Insurance

- 5.2.1 Directors are accorded with Directors and Officers Liability Insurance in respect of any liability arising in the course of discharging their duties as Directors of Tuju Setia Berhad provided that such liabilities were occasioned in good faith and not as a result of negligence, default or breach of duty;
- 5.2.2 The Directors and Officers Liability Insurance premium shall be borne by the Group as well as the Directors and does not form part of the benefits awarded to Directors as part of their remuneration packages.

5.3 Approval of Directors fees and benefits payable

- 5.3.1 The fees of directors, and any benefits payable to directors, including any compensation for loss of employment of a Director or former Director shall be subject to annual shareholder approval at a general meeting;
- 5.3.2 Executive directors should not be involved in discussions to decide on their remuneration. Directors who are shareholders and controlling shareholders with a nominee or connected director on the board should also abstain from voting on the resolution to approve directors' fees at the general meeting.

6. REVIEW AND DISCLOSURE

The RC should review periodically the criteria to be used in recommending the remuneration packages of the Directors. The RC should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors. The Board should disclose this policy in the Company's website.

(This Policy was approved and adopted by the Board on 16 December 2021)