

Techbond Group Berhad

REMUNERATION POLICY

REMUNERATION POLICY FOR DIRECTORS

1. Introduction

This policy is intended to support the Company's key strategies and create a strong performance-orientated environment, and to attract, motivate and retain experienced, qualified and high calibre members of the Board of Directors.

2. For Executive Directors ("EDs")

In the case of EDs, the component parts of remuneration shall be structured so as to link rewards to corporate and individual performance. Fixed remuneration for EDs including Group Managing Director and EDs are determined based on the following criteria:

- The scope of duties and responsibilities;
- The conditions and experiences required;
- The ethical values, internal balances and strategic targets of the Company;
- The individual performance;
- The current market rate within the industry and also comparable companies; and
- The overall performance of the Company and its subsidiaries ("the Group") and tracked against the target.

The remuneration package of the EDs comprises basic salary, monetary incentives and fringe benefits.

(a) Salaries

Salaries for EDs consist of both fixed (i.e. base salary) and variable (i.e. performance-based and retention incentives) remuneration components.

(b) Performance-based incentives

Bonus is given at a discretionary manner where assessment is made to ensure that all factors including measurable and indirect measurable factors are considered.

(c) Other Benefits (Non-Cash Benefits or Benefits-In-Kind)

The Company may provide competitive benefits to EDs such as medical insurance and personal accident insurance.

In addition, the other allowances are reimbursable for the business expenses incurred by EDs such as entertainment and travel expenses.

The remuneration package of each ED will be reviewed by the Remuneration Committee (“RC”) and recommended to the Board of Directors for approval.

3. For Independent Non-Executive Directors (“INEDs”)

In the case of INEDs, the level of remuneration shall be linked to their experience, time commitment and the level of responsibilities undertaken.

Fixed fees for INEDs are determined based on the following:

- Compatible with other companies within the same industry in the market;
- Reflect the experiences, qualifications and contributions required in view of the Group’s business complexity; and
- The extent of the duties and responsibilities.

INEDs received remuneration in the form of Director’s fees and benefits payable, including meeting attendance and travelling allowances, as the compensation for their services rendered to the Company and also reimbursement of expenses incurred, if any, in the course of performing their services.

The remuneration of INEDs shall not be based on commission or percentage of profits or turnover of the Group and INEDs are not entitled for performance-based incentive to ensure objectivity and independent judgement for the matter discussed in the Board of Directors’ Meeting.

The annual Directors’ fees payable to the Directors and benefit payable (i.e. meeting attendance allowance) to the INEDs are presented to the shareholders for approval at every Annual General Meeting of the Company.

4. Review of Remuneration

The RC reviews the remuneration of EDs on an annual basis and make recommendations to the Board of Directors for the specific adjustments to the remuneration and/or reward payments that reflect the contributions made by the respective EDs for the financial year which are competitive and are in tandem with the Company’s corporate objectives, culture and strategy.

The RC may from time to time, seeks independent advice and/or making cross reference market study on remuneration of the EDs.

This Policy is made available on the Company’s website in accordance with the Malaysian Code on Corporate Governance.

5. Review of Policy

This Policy is to be reviewed by the RC on a periodic basis and any requirement for amendments to the aforesaid Policy shall be deliberated by the RC and thereafter, present the proposed revisions to the Board of Directors for approval.