

KECK SENG (MALAYSIA) BERHAD GROUP

Subject: Group Policy - Remuneration Policy and Procedures for Directors and Senior Management	Policy No: 07-01
Applies to: Directors and Senior Management	Page: 1 of 2
Date: 25 November 2022	Approved by: Board of Directors

Objective:

1. This Policy guides the remuneration and compensation package of the Board of Directors (“**Board**”) and Senior Management to optimise talent recruitment and retention at the leadership level, in view of prevailing market conditions.
2. It also takes into consideration the Group’s business complexities, skills and experience required in ongoing succession planning required for long term sustainability of the Group’s various businesses.

Principle

This Policy is formulated on the principle that the compensation package:

1. Be adequately attractive to attract and retain the right talent both at the Board and Senior Management levels.
2. To reflect fairly and equitably, the experience and responsibilities expected of the respective roles.
3. To ensure the remuneration packages of Independent Directors do not conflict with their obligation to bring objectivity and independent judgement on matters discussed at Board meetings.

Remuneration Structure

The components of the remuneration of Executive Directors (“**EDs**”) and Senior Management include:

(i) Fixed components

- a) basic salary [including the statutory contribution to the Employees Provident Fund (“**EPF**”)] which is based on duties, responsibilities and job grade. The basic salary is normally set at market median level;
- b) company car and driver (if applicable); and
- c) travelling and car allowance (if applicable).

On top of the EPF statutory contribution rate, the Remuneration Committee (“**RC**”) and the Board have discretion to provide additional salary increments, usually ranging from 1% to 15% based on their performance and changing market conditions, but may provide more or not at all.

(ii) Variable components

The variable remuneration consists of annual bonus, which are based on the performance of the Group for the relevant financial year and their performance against annual measures and targets set at the start of the financial year including sustainability related targets. It also takes into account the increased job responsibilities, complexity of the role and typical market practice. These are reviewed, deliberated and approved at the RC and Board levels.

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(iii) Other Benefits

Other benefits may include hospitalisation and surgical insurance, personal accident and critical illness insurance, mobile phone entitlement, club membership and other benefits necessary to keep the role competitive, fair and equitable.

Scope and Applicability of the Remuneration Policy

(1) Chairman, Managing Director (“**MD**”) and EDs

The remuneration structure for the Chairman, MD and EDs takes into consideration the unique experience required for the Group and its various diversified businesses. The RP is weighted with a balanced consideration on both Group performance and market performance.

(2) Non-Executive Directors (“**NEDs**”)

The remuneration of NEDs includes annual Directors’ fees and meeting allowance. The remuneration of NEDs is reviewed by the RC annually to ensure the remuneration is fair and reasonable.

(3) Senior Management

The remuneration structure for Senior Management varies in accordance with their role, responsibilities, and is weighted towards performance at the individual and business division levels, as well as prevailing market conditions.

The Directors’ fees and benefits paid/payable to the Directors are subject to shareholders’ approval at every Annual General Meeting.

Remuneration Review Procedures and Responsibilities

The annual remuneration review takes place annually as determined by the Board. The RC reviews the remuneration of the Chairman, MD, EDs and NEDs annually, whereby the RC will consider various factors including the performance of the Group, individual performance, duties, responsibilities and commitments.

The RC will also consider the available market benchmarks to determine whether and to what extent the changes of the remuneration are required. Appropriate recommendations will then be made to the Board for approval.

The review of Senior Management’s remuneration package falls under the purview of the MD and is conducted annually together with the other employees’ annual increment evaluation.

Review of the Policy

The RC will review this Policy from time to time to ensure that it continues to remain relevant and appropriate.

This Policy was last reviewed and adopted by the Board on 25 November 2022 and is made available on the Company’s website at <https://my.keckseng.com>.