

# TANCO HOLDINGS BERHAD

(Company No.195801000190 (3326-K))

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## REMUNERATION POLICY AND PROCEDURES FOR DIRECTORS AND KEY SENIOR MANAGEMENT

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### Introduction

This policy outlines the principles and procedures for determining the remuneration of the Group Managing Director, Executive Directors (“**EDs**”), Non- Executive Directors (including Independent Directors) (“**Non-EDs**”), Directors of subsidiaries and Key Senior Management of Tanco Holdings Berhad (“**Tanco**” or “the **Company**”). It aims to support and drive business strategy to achieve long term objectives of the Company and its subsidiaries (“**Group**”) in line with the recommendation of the Malaysian Code on Corporate Governance (“**CG Code**”).

### Remuneration Guidelines

1.The objective of this Remuneration Policy and Procedure (“**Policy**”) is to: -

- Determine the level of remuneration packages of EDs. Non-EDs, Directors of subsidiaries and Key Senior Management;
- Attract, retain and motivate high-calibre individuals to drive the Company’s success while aligning with shareholders' interests;
- Ensure fair and competitive remuneration in line with market benchmarks;
- Align executive rewards with Company’s performance and shareholder value;
- Encourage long-term sustainability and accountability;
- Compliance with relevant laws and regulations.

2. In this regard, this Policy is approved by the Board of Directors (“**Board**”) on the recommendation by the Remuneration Committee.

3. On a yearly basis, the Remuneration Committee shall review and recommends to the Board the remuneration packages of EDs, Directors of subsidiaries and Key Senior Management and it is the responsibility of the Board as a whole to approve the remuneration packages.

4. No Director shall participate or vote on the deliberations and decisions concerning his or her own remuneration.

### Remuneration Committee (“**RC**”)

- Composed exclusively of Non-Executive Directors, with a majority being Independent.
- Reports to the Board.
- Responsibilities include:
  - Reviewing and recommending remuneration policies and packages
  - Benchmarking against peer companies and industry standards
  - Ensuring alignment with performance, risk, and sustainability

## **Remuneration Procedure**

1. The Board of Tanco should ensure transparency in remuneration policies and procedures through the formation of the RC comprising Non-EDs;
2. To ensure Directors and Key Senior Management are offered an appropriate level of remuneration and other benefits;
3. 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, areas of responsibility and experience
  - The nature of business of the Company
4. The RC assists the Board in reviewing annually or when need arises and the Board approves the remuneration package for Directors, Directors of subsidiaries and Key Senior Management based on the following: -
  - RC conducts annual review of remuneration packages
  - Benchmarked against industry peers, size, complexity, and performance
  - External consultants may be engaged for benchmarking where necessary
  - 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

## **Non-Executive Directors**

1. Non-EDs 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.
2. The level of remuneration for Non-EDs shall reflect the experience and level of responsibilities undertaken by the Non-EDs concerned. The remuneration of a Non-ED shall not be based on commission, the percentage of profits or turnover.
3. The remuneration packages of Non-EDs are reviewed by the RC annually and thereafter recommend to the Board for their consideration with the Director concerned abstaining from deliberations and voting on decision in respect of his/her individual remuneration package. The Board will then recommend the payment of the Directors' fees and other benefits payable to Non-EDs to the shareholders for approval at each Annual General Meeting of the Company in accordance with Section 230 (1) of the Companies Act, 2016.

## **Policy Review**

This Policy is subject to regular review or as necessary by the RC and will be amended as appropriate to align with the current market practices and requirements of the CG Code 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.

This Policy was revised and approved by the Board of Directors on 28 August 2025.