

# **SENG FONG HOLDINGS BERHAD**

**Registration No. 202101022910 (1423210-X)**

## **REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT**

## **1. INTRODUCTION**

The Remuneration Committee of Seng Fong Holdings Berhad (“Company”) is responsible to ensure that Directors and Senior Management are fairly rewarded for their individual contributions to the Company’s overall performance.

The remuneration of Executive Directors and Senior Management is set by the Board of Directors (“Board”) based on the recommendation from the Remuneration Committee, whereas the remuneration of Non-Executive Directors is also set on the same basis, except it requires shareholders’ approval at a general meeting of the Company.

## **2. OBJECTIVE**

The objective of this policy is to outline the principles for the Remuneration Committee to determine and propose an appropriate level of remuneration that allows the Company to attract and retain talented and well-qualified Directors and Senior Management.

## **3. EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT STRUCTURE**

### **3.1 Fixed Components**

Fixed monthly salaries and / or fees for Executive Directors and Senior Management are set according to:

- (a) Job nature of the position including responsibility and complexity.
- (b) Qualification, skills, expertise and experience.
- (c) Other market conditions.

### **3.2 Variable Components**

Performance-based remuneration i.e. short term incentive - bonus, long term incentive - share options (if any) are determine based on :-

- (a) Individual performance indicators.
- (b) Individual overall contribution to the business of the Company.
- (c) Individual overall contribution to the growth of the Company.

### **3.3 Benefits Components**

Common and basic benefits such as annual leave, medical leave, maternity or paternity leave, gazetted public holidays, Employee Provident Fund (“EPF”) and Social Security Organisation contribution (“SOCSO”).

Benefits-in-kind such as company car, driver, club subscription, professional membership subscription, medical, travel and life insurance coverage.

In addition to the common and basic benefits, benefits-in-kind may be provided to increase the economic security of Executive Directors and Senior Management as an incentive to attract and retain talent.

### **3.4 Remuneration Procedures**

The performance of Executive Directors and Senior Management is measured based on the achievements of their annual KPIs. The rewards accorded to Executive Directors and Senior Management for their achievement of the respective KPIs shall comprise annual bonus and increment to their base salaries.

The evaluation on the achievement of each of the KPIs by Senior Management against an agreed performance standard is conducted annually by the Managing Director. Thereafter, the Managing Director recommends the remuneration levels for the Senior Management to the Remuneration Committee for review. Whilst for Executive Directors (including Managing Director), it is evaluated and reviewed annually by the Remuneration Committee.

### **3.5 Abstain From Voting**

The fees and benefits payable to the Directors are subjected to the shareholders' approval at a general meeting of the Company. Each Director shall abstain from voting on his / her individual remuneration.

## **4. NON-EXECUTIVE DIRECTORS**

The Non-Executive Directors' remuneration should reflect the Board's responsibilities, qualifications, skills, expertise and experience, as well as the complexity of the Company's activities. The Non-Executive Directors' remuneration shall consist of fixed Directors' fee and meeting allowances for every Board meeting attended. Their remuneration shall be reviewed every three years interval with reference to companies in similar industries or scale by the Board and the Remuneration Committee. The fees and benefits payable to the Non-Executive Directors are subjected to the shareholders' approval at the annual general meeting of the Company. The Non-Executive Directors shall abstain from voting on their own remuneration.

## **5. BENCHMARKING**

Periodic or appropriate benchmarking exercises shall be conducted by the Company to assess the competitiveness of the Company's total remuneration packages for Directors and Senior Management with relevant market and industry.

The Company shall refer to the disclosures in annual reports of companies in similar industries or scale, as one of the sources to obtain benchmarking information.

## **6. REVIEW**

The effectiveness of this policy shall be reviewed periodically by the Remuneration Committee and submitted to the Board for deliberation and approval.

This policy was reviewed and approved by the Board on 9 October 2024