



**TH PLANTATIONS BERHAD  
(12696-M)**

**REMUNERATION POLICY & PROCEDURES  
FOR DIRECTORS AND SENIOR MANAGEMENT**



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## **1. INTRODUCTION**

This Remuneration Policy ("the Policy") is prepared pursuant to the Practice 6.1 and Practice 6.2 of the Malaysian Code of Corporate Governance 2017 ("MCCG 2017") issued by the Securities Commission.

This Policy set out the criteria to be used in recommending the remuneration package of the following persons of TH Plantations Berhad ("THP" or "the Company"):

- i. The Non-Executive Directors ("NEDs") of THP;
- ii. The Executive Director and/or Chief Executive Officer and/or Managing Director ("CEO/ED") of THP;
- iii. The Deputy Chief Executive Officer ("DCEO") of THP; and
- iv. The Senior Management ("the Senior Management") of THP. This includes all THP's officers ranked General Manager and above.

## **2. OBJECTIVES**

This Policy is designed with the aim to support the key strategies and create a strong performance-oriented environment and be able to attract, motivate and retain talent of the NEDs, CEO/ED, DCEO and Senior Management of THP. The Policy shall adhere to the following key principles:

- i. To align with THP's strategic thrust and value drivers;
- ii. To attract, develop and retain NEDs, CEO/ED, DCEO and Senior Management of THP with a competitive remuneration package relevant with the market and industry;
- iii. To provide a remuneration such that the NEDs, CEO/ED, DCEO and Senior Management of THP are paid a remuneration commensurate with the responsibilities of their position; and
- iv. To support the philosophy of value-based management.



### **3. NOMINATION & REMUNERATION COMMITTEE**

- 3.1 The Nomination & Remuneration Committee (“NRC”) determines the Company’s remuneration practices with the aim of attracting, motivating and retaining high calibre NEDs, CEO/ED, DCEO and Senior Management of THP to deliver value for shareholders.
- 3.2 The functions and responsibilities of the NRC Committee of THP, amongst others, are as follows:
- i. To recommend to the Board of Directors any review on the Company’s Scheme of Service whenever deemed necessary and appropriate;
  - ii. To recommend to the Board of Directors the remuneration framework and the remuneration package, allowances, bonus, etc. for Senior Management personnel based on the Company’s Scheme of Service;
  - iii. To recommend to the Board of Directors the remuneration framework for Executive Director(s) as well as the remuneration package for each Executive Director (if applicable), based on the Company’s Scheme of Service;
  - iv. To recommend to the Board of Directors the allowance and benefits of NEDs; and
  - v. To recommend to the Board of Directors the meeting allowance of Directors and Committee members.
- 3.3 The structure and procedures of the NRC of THP are as follows:
- i. The CEO/ED does not participate in discussions pertaining to his own remuneration.
  - ii. The determination of remuneration packages of NEDs, including the Non-Executive Chairman shall be a matter to be considered by the Board as a whole and thereafter to be put forth to the shareholders for approval.



- iii. The level of remuneration should be sufficient to attract and retain the Directors needed to steer the Company successfully. In the case of Executive Directors, the components of the remuneration should be structured so as to link rewards to corporate and individual performance. The level of remuneration should reflect the experience and responsibilities undertaken by the NEDs concerned.

#### **4. REMUNERATION COMPONENTS**

##### **4.1 For NEDs**

- i. Remuneration components for NEDs is made up of Directors' fees, meeting allowances and benefits in kind. The remuneration of the NEDs shall not be based on commission, the percentage of profits or turnover.
- ii. The Directors' fee and meeting allowances are determined according to:
  - a. Performance of the Company; and
  - b. On par with the rest of the industry.
- iii. The NEDs are entitled to benefits-in-kind such as:
  - a. Medical and insurance coverage;
  - b. Expenses incurred in the course of their duties as directors; and
  - c. Leave passage.
- iv. The Chairman of the Company (who is NED) is entitled to a company car, driver and petrol.
- v. The NEDs do not participate in THP's Employees Share Option Scheme or equivalent.

##### **4.2 For CEO/ED, DCEO and Senior Management**

- i. Remuneration components for CEO/ED, DCEO and Senior Management is made up of basic salary, monetary incentives (performance based incentive) and benefits-in-kind.



- ii. The basic salary for CEO/ED, DCEO and Senior Management is fixed and determined according to:
  - a. The scope of the duty and responsibilities;
  - b. The conditions and experiences required;
  - c. The corporate and individual performance; and
  - d. Current market rate within the industry and in comparable companies.
- iii. The monetary incentive may contain any or all of the following:
  - a. Bonus is rewarded for outstanding performance and contributions and in meeting with established key performance indicators.
  - b. The THP's Employees Share Option Scheme to award with options to subscribe for new shares in the Company at a pre-determined subscription price, subject to the terms and conditions of THP's By-Laws.
- iv. The CEO/ED, DCEO and Senior Management are entitled to the benefits-in-kind such as allowances (transportation, entertainment, housing), company driver, petrol, medical insurance and life insurance.

## **5. REVIEW OF REMUNERATION PACKAGE**

### **5.1 For NEDs**

- i. The remuneration of NEDs are reviewed by the NRC and the Board every three (3) years.
- ii. The Board may seek professional advice from independent party, if required, to assist the Board in formulating an attractive remuneration that aims to attract, retain and motivate talent.
- iii. Any review of the remuneration for NEDs shall be tabled to the shareholders at general meeting for approval.



## **5.2 For CEO/ED, DCEO and Senior Management**

- i. The remuneration of CEO/ED are reviewed by the NRC upon the expiration of the contract of service. Any review of the remuneration for CEO/ED shall be tabled to the Board for consideration and approval.
- ii. The remuneration package and/or increment for DCEO and Senior Management are reviewed by the NRC every year. Any review of the remuneration for DCEO and Senior Management shall be tabled to the Board for approval.

## **6. APPLICABILITY TO THP'S SUBSIDIARIES**

- 6.1 This Policy is applicable to THP's subsidiaries ("THP Group of Companies").
- 6.2 The Directors' fee and meeting allowance of the Directors of THP Group of Companies shall not exceed the Directors' fee and meeting allowance received by the NEDs of THP.
- 6.3 Any review of the remuneration package of the Directors of THP Group of Companies shall be:
  - a. Proposed by the Board of Directors of that subsidiary; and
  - b. Tabled for the recommendation of the NRC of THP;
  - c. Tabled to the Board of THP for endorsement; and
  - d. Approved by the shareholders of that subsidiary and/or THP.

## **7. REVIEW OF POLICY**

This Policy is subject to regular review by the Board and will be amended as appropriate to reflect the current best practices.