

# REMUNERATION POLICY

## Objective

The Directors' Remuneration Policy ("the Policy") is to set an appropriate level of remuneration that allows Senheng New Retail Berhad ("Senheng") to attract and retain the services of a suitable number of talented and well-qualified directors in line with the long-term business strategies of Senheng.

## Scope

This Policy applies to Executive Directors and Non-Executive Directors of Senheng.

## Responsibility

1. The remuneration of Executive Directors is set by the Board based on the recommendation from the Remuneration Committee, whereas, the remuneration of Non-Executive Directors also operates on the same basis, except it requires shareholders' approval.
2. The Remuneration Committee is empowered to make quantitative and qualitative assessment of performance in reaching its recommendations. The Remuneration Committee is also responsible to provide appropriate disclosure of the use of discretion, if required, so that shareholders can understand the basis of its recommendation.
3. Each director shall abstain from deliberations and voting on decisions in respect of his/her individual remuneration.

## Policy Statement

1. Senheng is a company competing for talent in a demanding environment. The ability of the Company to attract and retain high calibre executives required to manage complex business is important for shareholders.
2. This policy has been designed to reflect the business operations of Senheng as well as talent pool. The competitive market for top executives within the retail sector provides an important reference point, but is only one of the factors considered when the Company sets the remuneration policy. The following principles underpin the approach taken by Senheng to remunerate the Executive Directors:-
  1. **Transparency**  
Simple, transparent and fair approach.
  2. **Link to strategy and shareholder alignment**  
  
Significant proportion of remuneration is fixed and linked to the delivery of the business results of Senheng and remuneration is also intended to reflect the meeting of shareholders' expectation.
  3. **Stewardship**  
Focus on long-term sustainable performance.

### 3. Remuneration Policy for Executive Directors

#### 1. **Salary & Benefits**

To provide fixed remuneration to reflect the scale and complexity of both the business and the role, and to be competitive with the external market.

##### i. Salary

Salary levels take into account the nature of the role, performance of the business and the individual, market positioning and pay conditions in the wider Senheng Group.

When recommending salaries, the Remuneration Committee considers practice in other comparable retail companies as well as other companies of a similar size, geographic spread and business dynamics to Senheng.

##### ii. Benefits

Executive Directors are entitled to receive those benefits available to all employees of Senheng. The said benefits include group insurance coverage, medical benefits, motor vehicle related benefits and annual leave.

Executive Directors may receive other benefits that are considered to be appropriate in terms of the individual's role.

#### 2. **Annual Bonus**

To provide variable remuneration dependent on performance against annual financial, operational and employee engagement measures.

The bonus is based on performance against annual measures and targets set at the start of the year, evaluated at the end of the financial year.

The level of bonus payable may vary depending on the job performance.

### 4. Remuneration Policy for Non-Executive Directors

#### 1. **Fee**

Remuneration is in the form of fees, payable annually. Remuneration practice is consistent with recognised best practice standards for Non-Executive Directors' remuneration and, as a Malaysia-listed company, the level and structure of Non-Executive Directors' remuneration will primarily be compared against Malaysia best practice.

The level and structure of Non-Executive Directors' remuneration is reviewed by the Remuneration Committee who will make recommendations to the Board. Non-Executive Directors do not vote on their own remuneration.

2. **Allowance**

Non-Executive Directors receive an allowance, which is paid in cash, for the purpose of attending Board or Committee meetings.

3. **Benefits**

Non-Independent Non-Executive Directors are provided with group insurance coverages which include Group Term Life, Group Hospital & Surgical and Group Personal Accident. They may also receive other benefits such as security services.

5. Review of the Policy

- The Remuneration Committee shall review and assess the effectiveness and continued relevance of this Policy periodically. Any revisions to the Policy as recommended by the Remuneration Committee will be submitted to the Board for consideration and approval.