

**REMUNERATION FOR THE BOARD OF DIRECTORS AND SENIOR
MANAGEMENT**

TABLE OF CONTENTS

1.0	INTRODUCTION	3
2.0	SCOPE	3
3.0	LIST OF ABBREVIATIONS AND DEFINITIONS	3
4.0	GENERAL PRINCIPLES	4
5.0	REMUNERATION POLICIES.....	4
5.1	Executive Directors and Senior Management	4
5.2	Non-Executive Directors	5
6.0	REVIEW	6

CG/AA/JF/SB

REVISION HISTORY

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1.0 INTRODUCTION

A robust remuneration policy is crucial in guiding the Board of Directors and the Nomination and Remuneration Committee of MRCB in administering the remuneration of its Non-Executive Directors, Executive Directors and Senior Management to support and drive the business strategy and long-term objectives of the Company and its subsidiaries in line with recommendations of the Malaysian Code on Corporate Governance (MCCG).

The objectives of this policy are to:

- a) Guide the determination of the level of remuneration packages of the Directors and Key Senior Management of MRCB;
- b) Attract and retain experienced, qualified and high calibre Senior Management with competitive remuneration packages to drive the purpose, business, strategy, objectives, values and long-term interests of MRCB;
- c) Provide a remuneration package such that the Directors and Senior Management are paid a remuneration which is commensurate with, and reflects their level of responsibilities, accountability, risks and experience; and,
- d) Encourage value creation for MRCB and all its stakeholders.

2.0 SCOPE

This document shall be read in conjunction with the relevant enumerations encapsulated in prevailing laws and regulations such as, but not limited to:

- a) Companies Act 2016;
- b) Capital Markets and Services Act 2007; and,
- c) Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This document shall be reviewed periodically by the Nomination and Remuneration Committee and will be published on the Company's website.

3.0 LIST OF ABBREVIATIONS AND DEFINITIONS

BOD	Board of Directors
Company / MRCB	Malaysian Resources Corporation Berhad or any of its subsidiaries
ED	Executive Director – a Director who is a full-time employee of the Company and delegated with managerial or executive powers by the BOD to carry out the day-to day management of the Company's business
GCS	Group C-Suite
Senior Management	Employees in Grade GCS and above, namely: <ul style="list-style-type: none">• Group Managing Director (GMD)• Group Chief Financial Officer (GCFO)• Group Chief Operating Officer (GCOO)

	<ul style="list-style-type: none">• Chief Corporate Officer (CCO)
LTIP	Long-Term Incentive Plan
NEC	Non-Executive Chairman
NED	Non-Executive Director – a Director who is not an employee of the Company and not involved in the day-to-day management and operations of the Company. NEDs are appointed for their specific expertise, skill or knowledge that contributes to the Company’s BOD’s decision making and deliberations
NRC	Nomination and Remuneration Committee

4.0 GENERAL PRINCIPLES

- 4.1 On an annual basis, the NRC shall review the remuneration packages of the Executive Directors and Senior Management, and if applicable, recommend to the BOD any changes required. It is the responsibility of the BOD as a whole to approve the remuneration packages and any changes thereto.
- 4.2 The NRC shall review the remuneration packages of the Non-Executive Directors at least once in every three years and thereafter make its recommendation to the BOD for endorsement prior to tabling to the Company’s shareholders for their approval at the Annual General Meeting.
- 4.3 No Director shall participate or vote on the deliberations and decision concerning their own remuneration.

5.0 REMUNERATION POLICIES

5.1 Executive Directors and Senior Management

- a) The remuneration of the EDs and Senior Management is made up of basic salaries, allowances, annual bonus, LTIP and other emoluments and are set according to:
 - the demands, complexities, activities and performance of MRCB;
 - the nature of the job;
 - the level of skills, expertise, experience and scope of responsibilities of the individual;
 - the individual’s performance in the job;
 - benchmarks against companies of similar size and industry; and,
 - the risk environment to ensure the remuneration does not encourage excessive risk-taking.

- b) In formulating the remuneration levels, the NRC must consider the assessment of the performance of the EDs and Senior Management against stipulated targets as well as benchmarking to the market rate for benefits-in-kind, annual increments and bonus rates.
- c) The performance measures are derived from a mixture of financial, strategic and sustainability targets, as follows:
 - Financial targets e.g., profitability of the Company;
 - Strategic targets e.g., competitive performance metrics such as enhancement of shareholder value / market share; and,
 - Sustainability targets e.g., achievement of the Company's sustainability purpose and Sustainability Key Action Plans / Focus Areas (Internal Action, Sustainable Impact / Business, Risk and Governance, Corporate Social Responsibility and Stakeholder Engagement) as per MRCB's Sustainability Framework.
- d) The remuneration of the EDs and Senior Management shall be structured to align rewards to corporate and individual performance and shall take into consideration remuneration paid to EDs and Senior Management in other similar companies, whether in size and / or industry, performance and responsibilities, talent market competitiveness as well as MRCB's overall performance.
- e) For the avoidance of doubt, EDs who are full-time employees of MRCB shall receive no additional compensation for serving as a Director.

5.2 Non-Executive Directors

- a) The remuneration of the NEDs consists of fixed annual directors' fees and meeting allowances. In addition, NEDs also receive other benefits-in-kind including, but not limited to, medical outpatient and hospitalisation, Group Term Life and Group Personal Accident Insurances, and other reimbursable / claimable benefits-in-kind as may be determined from time to time, for the purposes of carrying out their duties as NEDs.
- b) In relation to the remuneration of the NEDs, the NRC is further guided by the following:
 - a suitable balance of fees between annual BOD and Board Committee fees and meeting allowances. The principle is to ensure recognition of workload and responsibilities for the NEDs who sit on various Board Committees, ensuring a balance is struck between compensating for time spent, frequency of meetings and also as a reflection of the continued risks, responsibilities and obligations of all NEDs;
 - the remuneration should not conflict with the NEDs' obligation to bring objectivity and independent judgement, and discharging the fiduciary duties of all directors to act in the best interests of the Company;
 - the remuneration must not place an inappropriate burden on MRCB's finances;

- the NRC undertakes a robust review of the remuneration packages of the NEDs at least once in every three (3) years and thereafter makes its recommendation to the BOD. When conducting the review, if deemed necessary, the NRC may engage the services of an independent professional advisor; and,
 - all remuneration to be paid / payable to the NEDs must be tabled to the shareholders of MRCB for approval pursuant to the provisions of the Companies Act 2016.
- c) The Company to make any payment by way of compensation to past Non-Executive Chairman of the Company as consideration for or in connection with his loss of office due to retirement, resignation, or demise in the form of any bona fide payment by way of gratuity or similar payment, which shall not exceed the total remuneration of the NEC in the three (3) years immediately preceding his retirement, resignation or demise as prescribed by Section 227(5) of the Companies Act 2016, subject to the recommendation of the Board to shareholders for approval.

6.0 REVIEW

This document shall be subject to review from time to time to ensure that the principles and guidelines expressed within remain consistent with MRCB's guiding principles, strategic plans, limits of authority and business requirements.