

1. OBJECTIVE

This Board Remuneration Policy (“Policy”) has been developed by MBM Resources Berhad (“MBMR”) as part of the Board Nominating and Remuneration Committee (“NRC”) Terms of Reference (“TOR”).

The objective of this Policy is to provide clear and guiding principles in determining the remuneration for the Board of Directors and Senior Management¹ in order to attract, retain and motivate talented and qualified Board Members and to align their interests with the interest of the shareholders and the long-term business strategies of MBMR and its subsidiaries, in line with the recommendations of the Malaysian Code of Corporate Governance.

2. SCOPE

This Policy applies to MBMR and all its Subsidiaries (hereinafter referred to as the “MBMR Group” and/or the “Group”) regardless of geographic location and is applicable to Senior Management and all Executive and Non-Executive Directors.

3. KEY PRINCIPLES

The Board Remuneration Policy is based on the following key principles:

- a. MBMR offers fair and competitive remuneration according to relevant market and industry practice, via periodic market benchmarking exercise.
- b. Ensuring the level of fairness and consistency in remuneration by reflecting the individual Board Member’s experience and responsibilities including providing stewardship, thought leadership and guidance to the Management and time commitment.
- c. Ensuring that the interests of the Board Members and Senior Management are aligned to the interest of the shareholders in building sustainable value in line with MBMR’s business strategy and long-term objectives.
- d. Ensuring the Company’s performance in managing material sustainable risks and opportunities are considered when determining the appropriate level of remuneration for Board Members and Senior Management.
- e. Remuneration and incentives for non-executive Directors should not compromise or conflict with their obligation to bring objectivity and independent judgment on matters deliberated and decided upon at board meetings.

¹ Senior Management refers to those individuals who generally holds the highest level of management responsibility and decision-making authority within the Group which include the Chief Executive Officer (“CEO”), other C-Suite employees (who are not directors) and any other person(s) whom the Board of Directors may consider as being Senior Management.

To facilitate the NRC in proposing a fair and competitive remuneration, a market and/or industry benchmark study should be conducted every three (3) years. The benchmarking study should be done against similar organisations in the industry, size and geographies which MBMR operates in. An external consultant may be engaged for this purpose to allow the NRC to have a holistic and independent review of the Board Remuneration Policy.

4. APPROVAL PROCESS

The Board Remuneration is governed through a clearly defined process together at the Annual General Meeting, the Board of Directors and the NRC.

The NRC makes recommendations to the Board of Directors for the Non-Executive Director's remuneration on an annual basis for deliberation. Thereafter, the Board shall upon deliberation make recommendations on the remuneration as it deems appropriate, to the shareholders for approval at the Annual General Meeting.

For Executive Directors and Senior Management, the Board of Directors shall decide on the appropriate remuneration package, based on the recommendations from the NRC. The remuneration package should be structured in a manner that is competitive and that variable components are linked to overall Company performance.

No Board member, whether executive or non-executive, will be involved in deciding his own remuneration.

5. REMUNERATION ELEMENTS

5.1 Non-Executive Directors

The Non-Executive Directors receive a fixed base fee and allowances as consideration for their Board duties. In addition, the Board members may receive a fixed fee and allowances for their work on committees established by the Board.

Elements of the remuneration are as follows:

- i. Director's Fee – Remuneration in the form of fees, which may be payable on a monthly or annual basis. The level of remuneration of Non-Executive Directors shall reflect the level of experience and responsibility undertaken by the Non-Executive Directors.
- ii. Meeting Allowance – For the purpose of attending Board, Committee Meetings and/or other relevant meetings, Non-Executive Directors shall receive a meeting allowance.
- iii. Travel Allowance – To facilitate the travel of Non-Executive Directors to attend meetings or to attend to Company matters, a travel allowance is provided to Non-Executive Directors.

- iv. Directors and Officers Liability Insurance - to protect directors against personal losses they may be liable for in respect of claims made against them arising out of the performance of their duties.

Non-Executive Directors shall not be entitled to any short-term and/or long-term incentive plans.

In the event any individual is appointed as an Alternate Director for a Non-Executive Director, there shall be no payment for such Alternate Director.

5.2 Executive Directors and Senior Management

Executive Directors and Senior receive a remuneration package that is reflective of the individual's skills and experience (person), area and level of responsibility (position) and linked to both individual and Company performance.

Elements of remuneration are as follows:

- i. Monthly Base Salary;
- ii. Short-Term and/or Long-Term Incentive Plans which are linked to achieving individual Key Performance Indicators and Company performance;
- iii. Statutory and Regulatory Contributions;
- iv. Additional/Other Allowances; and
- v. Benefits-in-Kind.

While Executive Directors and Senior Management will be eligible to receive other benefits and perquisites, either based on the Executive Service Agreement and/or Terms and Conditions of Service, they are not entitled to receive Director's Fee or any meeting allowances.

6. AMENDMENT AND REVIEW

The Board Remuneration Policy is reviewed on an annual basis by the Board through the NRC where it considers various factors including the Directors' fiduciary duties, risks and time commitments as well as the relevant benchmark study.

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Last updated 7th March 2022