



## POLICY STATEMENT AND GUIDELINES

### REMUNERATION POLICY AND PROCEDURES FOR BOARD OF DIRECTORS ("BOD") AND KEY SENIOR MANAGERIALS (GRADE GCS & ABOVE)

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## 1.0 INTRODUCTION

This policy and these procedures are to guide the Board of Directors (“BOD”) and Nomination and Remuneration Committee (“NRC”) of MRCB to administer the remuneration of its Directors and Key Senior Management (Grade GCS and above) to support and drive the business strategy and long term objectives of the Company and its subsidiaries in line with the recommendation of the Malaysian Code on Corporate Governance (“MCGC Code”).

## 2.0 SCOPE

2.1 This document shall be read together with the relevant enumerations encapsulated in the following legislations: -

2.1.1 Companies Act 2016;

2.1.2 Capital Markets and Services Act 2007 (Amendment 2012); and

2.1.3 Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

2.2 Where there is a conflict between the contents of this document and the aforementioned legislations, the relevant enumerations contained in the said legislations shall prevail.

2.3 This document will be reviewed periodically by the NRC and be made available on the Company’s website.

## 3.0 LIST OF ABBREVIATIONS AND DEFINITIONS

Non-Executive Director (“NED”)	A Director who is independent or non-independent of Management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of an applicant or a listed issuer.
BOD	Board of Directors
NRC	Nomination and Remuneration Committee
Key Senior Management	Employees Grade GCS and above, currently are: - <ol style="list-style-type: none"><li>1) Group Managing Director (“GMD”)</li><li>2) Group Chief Operating Officer (“GCOO”)</li><li>3) Group Chief Financial Officer (“GCFO”)</li><li>4) Chief Corporate Officer (“CCO”)</li></ol>
Remuneration	All forms of consideration rendered to Non-Executive Directors and Key Senior Management in exchange for the services. This includes but is not limited to fees, meeting allowances, base salary, bonus and benefits.
LTIP	Long Term Incentives Plan

## **4.0 REMUNERATION GUIDELINES**

- 4.1 The objective of this Remuneration Policy is to: -
- 4.1.1 Determine the level of remuneration packages of the Directors and Key Senior Management of MRCB;
  - 4.1.2 Attract and retain experienced, qualified, high calibre Key Senior Management with competitive remuneration packages to drive the business, strategy, objectives, values and long-term interest of MRCB;
  - 4.1.3 Provide a remuneration package such that the Directors and Key Senior Management are paid a remuneration which commensurate with, and reflects their level of responsibilities, accountability, risks and, experiences; and
  - 4.1.4 Encourage value creation for MRCB and its stakeholders.
- 4.2 The NRC then forward the MRCB's Remuneration Policy to the BOD for approval.
- 4.3 On an annual basis the NRC shall review the remuneration packages of the Key Senior Management and if applicable, recommends to the Board any changes required. It is the responsibility of the Board as a whole to approve the remuneration packages.
- 4.4 The NRC shall review the remuneration packages of the Non-Executive Directors at least once in every three years and thereafter makes its recommendation to the BOD for endorsement prior to tabling to the Company's shareholders for their approval at the Annual General Meeting.
- 4.5 No Director shall participate or vote on the deliberations and decision concerning his or her own remuneration.

## **5.0 REMUNERATION PROCEDURES**

### **5.1 KEY SENIOR MANAGEMENT**

- 5.1.1 The remuneration of the Key Senior Management is made up of basic salaries, allowances, annual bonus & LTIP and are set according to: -
- the demands, complexities, activities and performance of the MRCB;
  - the nature of job;
  - the level of skills, expertise, experience and scope of responsibilities of the individual;
  - the individual's performance in the job;
  - the individual's overall contribution to Group's strategy and operations; and
  - industry benchmarks against companies of similar size and industry; and
  - the risk environment so as to ensure the remuneration does not encourage excessive risk-taking.
- 5.1.2 In formulating the remuneration levels, the NRC must consider the assessment on the performance of the Key Senior Management against such targets as well as benchmarking to market rate for benefits-in-kind, annual increment and bonus.

5.1.3 The performance measures are derived from a mixture of financial and strategic targets, as follows: -

- Financial targets may include profitability of the Company;
- Strategic targets may include but are not limited to competitive performance metrics such as enhancement of shareholder value/market share.

5.1.4 The remuneration of the Key Senior Management shall be structured to link rewards to corporate and individual performance and shall take into consideration remuneration paid to the Key Senior Management other similar companies, whether in size and/or industry, the individual's performance and responsibilities, market competitiveness as well as MRCB's overall performance.

## **5.2 NON-EXECUTIVE DIRECTORS ("NEDs")**

5.2.1 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 & hospitalization, Group Term Life & 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.

5.2.2 In relation to the remuneration of NEDs, the NRC is further guided by the following:

- a suitable balance of fees between annual Board 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 responsibilities for all NEDs;
- the remuneration should not conflict with the NEDs' obligation to bring objectivity and independent judgment;
- 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 Board. In conducting the review and if necessary, the Committee 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 provision of the Companies Act 2016.

## **6.0 REVIEW OF THE POLICIES & PROCEDURES**

- 6.1 This policy shall be subject to review from time to time to ensure that the principles and guidelines expressed in the policy are consistent with MRCB's guiding principles, strategic plans, limits of authority and business requirements.