

MPHB CAPITAL BERHAD (1010253-W)

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

1. Objectives

This Policy is adopted by the Board of Directors of MPHB Capital Berhad with the aim to create a remuneration structure that is competitive so as to attract, reward, motivate and retain Directors and Senior Management, and it is structured based on the following key principles:

- (a) The remuneration shall be set at levels that are competitive with the relevant market and industry in order to attract and retain talents as part of the Company's succession planning.
- (b) The performance measurements and targets set shall be aligned with the shareholders' interest in mind.
- (c) To ensure a level of fairness and consistency in remuneration.

2. Remuneration for Non-Executive Directors

- (a) The remuneration of Non-Executive Directors ("NEDs") comprises fees and sitting allowances. The remuneration of NEDs shall not be based on commission, percentage of profits and/or turnover of the Company/Group. The quantum of the NEDs' remuneration is reviewed by the Remuneration Committee, who may recommend to the Board for an adjustment in their remuneration, subject to the final approval of the shareholders. The NEDs shall abstain from deliberation and voting on their remuneration at Board meetings.
- (b) The NEDs are paid sitting allowances in respect of the board and board committees' meetings attended during the year. In circumstances where the board and board committees' meetings are held on the same day, only one sitting allowance is paid to each of the director.
- (c) The remuneration for NEDs shall be reviewed by the Remuneration Committee from time to time to ensure that the remuneration fairly reflects the responsibilities of the Directors, the expertise required by the Company/Group, the size of organization and the complexity of the operations. In conducting the review, assistance of independent professional advice may be sought to provide the latest development/information in respect of the market and industry statistics on the remuneration of NEDs.

3. Remuneration Structure of Executive Director and Senior Management

- (a) The Executive Director and Senior Management are paid a fixed remuneration, consisting of base salary, allowances and other benefits such as contribution to the Employees' Provident Fund, medical insurance and medical benefits (including spouse and dependents).
- (b) The fixed remuneration is set based on relevant market relativities, job nature of position (including responsibility and complexity), qualifications, level of skills and experience. The salary levels for Executive Director and Senior Management are reviewed annually and it shall take into account of the nature of the role, performance of the business and the individual, and market positioning.

- (c) The Executive Director and Senior Management are also eligible for annual bonus payment. The bonus payment is based on the Company's/Group's performance and the individual performance.
- (d) The Executive Director is also paid sitting allowances in respect of the Board meetings attended during the year. Save for sitting allowances for attendance of Board meetings, the remuneration of Executive Director need not be determined by the Company in general meeting but such remuneration may not include a commission or percentage of turnover.
- (e) The Remuneration Committee and/or the Board shall consider the appropriateness of any change in fixed remuneration level/salary adjustments/increments for the Executive Director and Senior Management based on the role and responsibilities, job size, individual performance, industry standards, labour market conditions and scale/size of the Group's business. The Executive Director shall abstain from deliberation and voting on their own remuneration.

4. External Professional Advice

The Board may seek external professional advice for the purpose of enhancing the remuneration packages in tandem with the development in the market place and to formulate an attractive and competitive compensation and benefits package to attract, retain and motivate talents.

5. Review of Policy

This policy is subject to regular review by the Board through the Remuneration Committee and will be amended as appropriate to reflect the current best practices. The policy shall be amended by a resolution of the Board.