



MATANG BERHAD
(Company No.: 1142377-X)
(Incorporated in Malaysia)

REMUNERATION POLICY AND PROCEDURES FOR DIRECTORS

1.0 Introduction

The Remuneration Committee (or “**Committee**”) is one of the Board committees established by the Board of Directors (“**Board**”) of Matang Berhad (“**Matang**” or “**Company**”) comprising mainly of Independent Non-Executive Directors.

The Committee is responsible primarily to provide overall guidance and making recommendations to the Board the remuneration and other benefits for the Directors and the Senior Executives of the Company.

The duties and responsibilities of the Remuneration Committee include:

- 1) To review and recommend to the Board the remuneration and other benefits of the Executive Directors and the Senior Executives of the Company. Any individual Executive Director who is on the Committee should play no part in any decision on his/her own remuneration.
- 2) The Remuneration Committee shall also formulate policies and procedures for determining the remuneration and benefits of the Executive Directors and Senior Executives of the Company, the policies and procedures of which shall be approved by the Board for adoption by the Company.

The remuneration packages of non-executive director shall be a matter to be decided by the Board of Directors as a whole with the director concerned abstaining from discussion and voting on any decision on his/her own remuneration.

During the deliberation of the remuneration package at the respective meetings of the Board and/or Committee, the individual Director whose remuneration package is being considered shall abstain from deliberation and voting.

Any decision or recommendation made by the Committee shall be subject to the review and ultimate approval of the Board of Directors. The Committee may appoint or engage other competent and professional advisers or consultants as may be deemed fit to assist in carrying out certain of its functions effectively.

This Remuneration Policy (or “**Policy**”) is introduced to the Company in the context of the policy framework on all elements of the remuneration of the Executive Directors and Non-Executive Directors pursuant to Principle A Part III of the Malaysian Code on Corporate Governance 2017.

2.0 Objective

The objectives of this Policy are for the following purposes:

- 1) To recommend to the Board a competitive compensation and remuneration package for the Executive Directors in order to attract and retain outstanding Executive Directors with the skills and experience needed to manage the Company and its subsidiaries (collectively, as “**Group**”) business successfully;
- 2) To ensure that the Executive Directors and Senior Executives are fairly rewarded for their individual contributions to the overall Group’s performance; and
- 3) To recommend to the Board of Directors a competitive compensation and remuneration package for Non-Executive Directors in order to attract and retain outstanding Non-Executive Directors of high caliber, integrity, credibility and competency who have the necessary skills, knowledge, expertise and experience to provide independent judgements, broader views and balanced assessments on proposals, issues, strategies, performances and resources for the success of the Group.

3.0 Remuneration for Directors

3.1 Basic Salary for Executive Directors

The Remuneration Committee recommends to the Board the basic salary for the Executive Directors after taking into account mainly the scope of services and performance of the Executive Directors benchmarked against information obtained from independent sources on the scales/rates of salary for similar jobs, functions and responsibilities in a selected group of comparable companies of similar size, structure and business sector.

3.2 Fees and Allowances for Executive and Non-Executive Directors

The fees payable to the Directors (“**Directors Fees**”) are determined by the Board taking into account the individual Director’s performance, contributions and overall performance of the Group, the size of the Board and bench-marked against other selected group of comparable companies of similar size, structure and business sector and is subject to the approval of the shareholders of the Company.

The Board also considers the experience and the additional duties and responsibilities of the Chairman of the Company / Board in chairing Board and General Meetings as well as leadership played by the Chairman to which such additional responsibilities had been

taken into account in the consideration of the different fee level for the Chairman of the Board.

The meeting allowance payable to the Executive Directors and Non-Executive Directors is at RM1,000 per Director for every Board meeting attended (“**Meeting Allowance**”). All expenses including for example, transport, accommodation and food, incurred by the Directors to attend the Board meetings are not claimable by the Directors and shall be deemed to have been included and paid as part of the Meeting Allowance.

3.3 Benefits-in-kind

Executive Directors of the Company are remunerated in cash and in kind by way of salary, bonus and other benefits and entitlements that may include (but not limited to) benefits for use of company car, taking into consideration their experience, responsibilities, length of service, their individual performance and contribution as well as the overall performance of the Group.

The Non-Executive Directors of the Company are paid solely Directors Fees for their roles as a Director of the Company.

In the interest of avoid poaching of Senior Executives by other organisation, the Company has decided not to disclose the remuneration structure and level applicable to the Senior Executives. Other sections of this Policy reflect the procedures undertaken by the Remuneration Committee in determining the suitable rewards and remuneration for Senior Executives.

4.0 **Procedures to Determine the Directors’ Fees and Senior Executives’ Remuneration**

There are procedures established by the Group to determine the fees payable to the Directors (together with salary and others benefits in the case of Executive Directors) and Senior Executives to ensure that they are aligned to the market rate and commensurate with the duties and responsibilities undertaken by the Directors and the Senior Executives. The procedures involved are set out as follows:

- 1) The Remuneration Committee determines the remuneration for the Executive Directors and Senior Executives based on the individual responsibilities and performance, skills and experience required as well as the demand and complexity of the individual roles and responsibilities and the nature and complexity of the Group’s businesses;
- 2) The Remuneration Committee deliberates with the Nomination Committee on the scope of services, duties and responsibilities and performance of the Directors and Senior Executives of the Company based on either annual Board evaluation carried out (for Directors) and performance appraisal (for Senior Executives in place);
- 3) The Remuneration Committee then deliberates in its Committee meetings the appropriate levels of remuneration with the advice and opinion of Executive Directors (where appropriate and necessary)

including the Deputy Executive Chairman who heads the management team of the Company;

- 4) The Committee makes necessary recommendation(s) to the Board for approval to implement and the Committee also assists the Board in overseeing the execution of the Remuneration Policy and its specific application to each Executive Directors and Non-Executive Directors as well as the Senior Executives;
- 5) The Committee, working together with the Nomination Committee, conducts continued assessment of individual Executive Directors and performance appraisal of the Senior Executives to ensure that their remuneration is directly related to their performance over time.

In this regard, the review of Non-Executive Directors' fees may take place at a different time of the year from the review of Executive Directors' salaries.

In carrying out its duties and responsibilities, the Committee is entitled to engage or appoint such other competent and professional advisers/consultants as may be deemed fit to assist the Committee in determining the remuneration and fees payable to the Directors (where necessary).

- 6) The Committee shall also review the salary increment or adjustment in the event of promotion or re-designation of Executive Directors and Non-Executive Directors of the Company as well as the Senior Executives, where applicable and make recommendation(s) to the Board for approval;
- 7) The Committee also reviews the annual increment and bonus payment for Executive Directors and Senior Executives of the Company basing on the performance of the Group and performance of the individuals, where applicable and make recommendation(s) to the Board for approval;
- 8) The Committee shall constantly review and determine and establish specific measures, weightings and targets to source, maintain, retain and reward the Executive Directors and Senior Executives; and
- 9) The Committee shall ensure that the remuneration of the Non-Executive Directors, the Executive Directors and Senior Executives are aligned with the Group's business strategies, long term goals and objectives.

Dated: 27 August 2018