



MARINE & GENERAL
BERHAD

BOARD REMUNERATION POLICY
(Updated 1/1/2023)

1. Purpose

- 1.1 This Remuneration Policy ("Policy") is the guiding document for the Board of Directors ("Board") and the Nomination and Remuneration Committee ("NRC") of Marine & General Berhad ("M&G" or the "Company") to determine the remuneration of Directors, taking into account the demands, complexities and performance of the Company as well as skills and experience required.

2. Scope

- 2.1 This Policy applies to Executive Directors and Non-Executive Directors of M&G and its wholly-owned subsidiaries.
- 2.2 Notwithstanding the above, the NRC retains the right to review the Board remuneration practices of all companies within the Group.
- 2.3 For the purposes of this Policy:
- a) An Executive Director is a Director who assumes management responsibilities in M&G or any of its subsidiaries, including non wholly-owned subsidiaries.
 - b) A Non-Executive Director is a Director who is a member of the M&G Board who is not an employee of the Company and is not responsible for daily management of the Company. A Non-Executive Director may be categorised as independent or non-independent.
- 2.4 This Policy is to be read together with the relevant provisions encapsulated in the following legislations and/or rules (and their respective amendments thereto):
- a) Companies Act 2016 ("CA 2016");
 - b) Capital Markets and Services Act 2007 ("CMSA 2007");
 - c) Labuan Companies Act 1990 ("LCA 1990"); and
 - d) Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").
- 2.5 Where there is a conflict between the contents of this Policy and the aforementioned legislations and/or rules (and their respective amendments thereto), the relevant enumerations contained in the said legislations and/or rules shall prevail.

- 2.6 This Policy, where appropriate, will also be aligned with the recommendations of the Malaysian Code on Corporate Governance (“MCCG”).

3. Remuneration Philosophy

- 3.1 This Policy seeks to enable M&G to attract and retain high-quality individuals with the optimum mixture of competencies, ability, experience and skill as required by the Company’s business.
- 3.2 The remuneration of Directors should take into account the complexity of the Company’s business and the individual’s responsibilities. In addition, the remuneration should also be aligned with the business strategy and long-term objectives of the Company. The remuneration and incentives for Non-Executive Directors should not conflict with their obligation to bring objectivity and independent judgment.
- 3.3 This Policy is guided by the following principles in determining its approach for the remuneration framework of Directors:
- a) The structure should be simple, straightforward and transparent for all stakeholders to understand.
 - b) The overall remuneration should be competitive and fair bearing in mind the Company’s key business strategies and long-term goals.

4. Remuneration Structure – Executive Directors

- 4.1 Remuneration payable to Executive Directors consist of two (2) core elements, as follows:
- a) Fixed component consisting of the Base Salary, Allowances and Benefits; and
 - b) Variable component consisting of Performance Bonus.
- 4.2 The fixed component of the remuneration, where appropriate, will be determined by benchmarking exercises or comparison against other similar companies. The variable component of the remuneration will be determined by Company and individual performance.

- 4.3 Remuneration payable to Executive Directors shall not include a commission on or percentage of turnover in line with the Listing Requirements and Constitution of the Company.
- 4.4 In addition, reasonable expenses incurred by Executive Directors in discharging their duties relating to the ordinary course of M&G's business activities shall be reimbursed accordingly. All claims for reimbursements must be accompanied with the claims receipts and shall be submitted on a timely basis.
- 4.5 Executive Directors shall also be entitled to claim entertainment expenses subject to the Terms and Conditions applicable to their appointment.

5. Remuneration Structure – Non-Executive Directors

- 5.1 Remuneration payable to Non-Executive Directors consist of a single (1) core element, as follows:
 - a) Fixed component consisting of Director's Fees and where applicable, Meeting Allowances.
- 5.2 The fixed component of the remuneration, where appropriate, will be determined by benchmarking exercises or comparison against other similar companies which may be undertaken from time-to-time.
- 5.3 The Meeting Allowance shall be payable to Non-Executive Directors who participate in person and/or by video, teleconference or by other electronic mode that permits the Non-Executive Director to participate.
- 5.4 Remuneration payable to Non-Executive Directors shall not include a commission on or percentage of turnover in line with the Listing Requirements and Constitution of the Company.
- 5.5 In addition, reasonable expenses incurred by Non-Executive Directors in discharging their duties relating to the ordinary course of M&G's business activities shall be reimbursed accordingly. All claims for reimbursements must be accompanied with the claims receipts and shall be submitted on a timely basis.

6. Governance – Executive Directors

- 6.1 The remuneration of Executive Directors shall be subject to the approval of the M&G Board upon recommendation by the NRC.
- 6.2 The individual Executive Director shall abstain from discussion of his/her own remuneration at both the NRC and Board level.
- 6.3 The remuneration paid to Executive Directors shall be disclosed on a named and individual basis and by the exact amount, both at Company level and Group level. The remuneration breakdown shall amongst others include fees, salary, bonus, benefits and other emoluments, as the case may be.

7. Governance – Non-Executive Directors

- 7.1 The remuneration of Non-Executive Directors shall be subject to the approval of the shareholders of the Company at its Annual general Meeting (“AGM”) upon recommendation by the Board.
- 7.2 The remuneration paid to Non-Executive Directors shall be disclosed on a named and individual basis and by the exact amount, both at Company level and Group level. The remuneration breakdown shall amongst others include fees, allowances and other emoluments, as the case may be.

8. Directors and Officers Liability Insurance

- 8.1 Directors are accorded with Directors and Officers Liability Insurance in respect of any liability (civil or criminal) arising in the course of discharging their duties as Directors of M&G provided that such liabilities were occasioned in good faith and not as a result of negligence, default or breach of duty.
- 8.2 The Directors and Officers Liability Insurance premium shall be borne (either in part or in full) by the Company separately and does not form part of the benefits awarded to Directors as part of their remuneration packages.

9. Review of Policy

- 9.1 This Policy will be reviewed by the NRC every three (3) years. Any revisions to the Policy as recommended by the NRC will be submitted to the Board for consideration and approval.
- 9.2 The approved revised Policy shall be made available on the Company's website.