



MALAYSIAN BULK CARRIERS BERHAD
(COMPANY NO. 175953-W)

Remuneration Policy and Procedures for Directors and Senior Management

REVISED BY THE BOARD ON 23 NOVEMBER 2022



Remuneration Policy and Procedures for Directors and Senior Management

Introduction

1. The Remuneration Policy and Procedure for Directors and Senior Management (“Policy”) sets out the criteria to be used in recommending the remuneration package for the Directors and Senior Management of Malaysian Bulk Carriers Berhad (“MBC”) in line with the recommendation and the best practices under the Malaysian Code of Corporate Governance (“MCCG”).
2. This Policy is subject to periodic review, at least once in two years, by the Nomination and Remuneration Committee (“NRC”) of MBC and shall be updated from time-to-time where necessary.
3. This Policy, and any subsequent revisions as recommended by the Remuneration Committee is subject to approval by the Board of Directors.
4. This Policy, and any subsequent revisions, shall be disclosed on MBC website

Guiding Principles

This Policy is guided by the following:

1. MCCG Practice 6.1 – The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company’s website.
2. Paragraph 7.23 of Bursa Securities Listing Requirements – Fees payable to non-executive directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to executive directors may not include a commission or percentage of turnover.
3. Paragraph 7.24 of Bursa Securities Listing Requirements – The fees of directors, and any benefits payable to directors shall be subject to annual shareholder approval at a general meeting
4. Section 230(1) of the Companies Act 2016 – Approvals for fees of directors
The fees of the directors, and any benefits payable to the directors including any compensation for loss of employment of a director or former director:
 - a) of a public company; or
 - b) of a listed company and its subsidiaries,shall be approved at a general meeting.
5. Section 340(1)(c) of the Companies Act 2016 – Annual General Meeting
Every public company shall hold an annual general meeting in every calendar year in addition to any other meetings held during that period, to transact the following business
 - a) ...
 - b) ...
 - c) The appointment and fixing of the fee of directors



Objective

The objective of this Policy is to provide a structure on which the remuneration packages for Directors and Senior Management will be based on in order to attract, motivate, reward and retain the right talent in pursuing the Company's strategic and long term goals and ensuring business sustainability and growth.

This Policy is designed to:

1. Provide a framework to determine the level of remuneration package for Executive Directors and Senior Management to commensurate with the responsibilities of their positions and reflecting their contributions to MBC
2. Ensure the level of remuneration of Non-Executive Directors are linked to their level of responsibilities and contribution to the Board

Scope

This Policy covers the remuneration of:-

1. Executive Directors ("ED") including Managing Director ("MD")
2. Non-Independent, Non-Executive Directors ("NINED")
3. Independent, Non-Executive Directors ("INED")
4. Senior Management - C-Suite positions including but not limited to Chief Executive Officer, Chief Operating Officer and Chief Financial Officer who are not holding a position as a Director of the Company

Remuneration Components

1. EDs

The remuneration of Eds are made up of the following components:

- a) Fixed salary which is subject to annual review and determined according to the scope of duties, responsibilities and accountability, taking into accounts the level skills and experience, corporate and individual performance, and where practicable the current market rates within the similar industry and/or companies of the similar size
- b) Performance based bonus
- c) Directors' fees, subject to annual approval by shareholders
- d) Contributions to statutory bodies including Employees' Provident Funds ("EPF"), Social Security Organisation ("Socso") and Employees' Insurance Scheme ("EIS")
- e) Employees Share Option Scheme ("ESOS"), where applicable
- f) Benefits-in-kind including but not limited to
 - i) Company car
 - ii) Mobile phone
 - iii) Club membership
 - iv) Insurance coverage for medical and personal accident
 - v) Reimbursement of expenses incurred while performing their duties
 - vi) Directors and Officers Liability Coverage



2. NINEDs & INEDs

The remuneration of NINEDs and INEDs are made up of the following components:

- a) Directors' fees, subject to annual approval by shareholders and where practicable the current market rates within the similar industry and/or companies of the similar size or operating in the same geographical location
- b) ESOS, where applicable
- c) Meeting allowance, whether the meeting is conducted in-person or virtually
- d) Reimbursement of expenses incurred while representing MBC in performing their duties
- e) Directors and Officers Liability Coverage

3. Senior Management

The remuneration of Senior Managers are made up of the following components:

- a) Fixed salary which is subject to annual review and determined according to the scope of duties, responsibilities and accountability, taking into accounts the level skills and experience, corporate and individual performance, and where practicable the current market rates within the similar industry and/or companies of the similar size
- b) Performance based bonus
- c) Contributions to statutory bodies including EPF, Socso and EIS
- d) ESOS, where applicable
- e) Benefits-in-kind including but not limited to
 - i) Company car
 - ii) Mobile phone
 - iii) Club membership
 - iv) Insurance coverage for medical and personal accident
 - v) Reimbursement of expenses incurred while performing their duties
 - vi) Directors and Officers Liability Coverage

Approvals

1. The remuneration for EDs (other than directors' fee) and Senior Management is subject to approval by the Board, as a whole, with the individual Director concerned abstaining from deliberation of his/her own remuneration
2. The fees of the Directors and any benefits payable to the Independent Non-Executive Directors shall be approved at a general meeting