

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

Introduction

MCE Holdings Berhad (“the Company” or “MCE”)’s Remuneration Policy (“the Policy”) seeks to provide a clear guide for the purpose of ensuring that the remuneration and compensation package of the Board and Senior Management (“SM”) are reflective of the Group business, complexities and interest as well as skill and experience required which is aligned to the strategic objective of the Group and that they are aligned with shareholders’ interest with an appropriate balance between short term and long term goals.

Policy

The Group’s Remuneration Policy is formulated on the principle that the level of remuneration and compensation must be sufficient to attract the right talent while at the same time retain the existing talents currently on board and ensure that the Board and SM are highly motivated to steer the Group.

The Board strives to set the remuneration packages of the SM, including the Group Managing Director (“GMD”) and Group Executive Directors (“GED”), at a competitive level by benchmarking to the market and provides incentives based on the agreed performance . The Company also strive to ensure that the remuneration packages reflect the relevant duties and responsibilities; which are fair and equitable.

The Company believes that the long term progress of the Group is directly linked to the calibre of its SM and as such it is imperative for the Group to remain competitive in remuneration, besides other measures, in order to attract and retain the right talent.

In the case of Non-Executive Directors (“NED”), the guiding principle is to establish a remuneration structure that commensurate with the contribution and level of responsibilities undertaken by a particular NED. The Company also ensures that the remuneration is fair and reasonable when compared to other companies of a similar nature, size and complexity.

Remuneration Structure

(1) Group Managing Director and Group Executive Director

The remuneration structure for the GMD and GED varies in accordance to the job functions and responsibilities and takes into consideration, the operational / functional nature of their responsibilities, and is weighted towards performance related elements that take into account individual, functional and corporate performance.

MCE HOLDINGS BERHAD (1158341-K)
REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

The components of the remuneration include the following:-

(a) Fixed remuneration

The fixed remuneration includes the following:-

- (i) basic salary (including the statutory contribution to the Employees Provident Fund (“EPF”)) which is based on duties, responsibilities and job grade. The basic salary is normally set at market median level;
- (ii) company car and driver (if applicable); and
- (iii) travelling and car allowance (if applicable).

On top of the EPF statutory contribution rate of 12%, the Nomination and Remuneration Committee (“NRC”) and Board has discretion to provide additional contributions ranging from 1% to 7% based on their performance.

(b) Variable remuneration

The variable remuneration inclusive of annual bonus and salary increment of the GMD and GED depend on the performance of the Group for the relevant financial year, which is determined based on current economic situations and taking into consideration where there are significant changes in scope and/or level of duties and responsibilities, roles and contributions of GMD and GED.

(c) Other Benefits

Other benefits may include hospitalisation & surgical, dental, group term insurance with critical illness, group personal accident, optical and mobile phone entitlement, club membership and other perks.

(2) Non-Executive Directors

The remuneration of NED includes annual Directors’ fees and meeting allowance. The remuneration of NED is reviewed by the NRC annually. In order to ensure the remuneration is fair and reasonable, the NRC will compare the remuneration of the NED with some selected peer companies from time to time.

The remuneration of the NED is subject to the shareholders’ approval at the annual general meeting of the Company.

(3) Senior Management

The remuneration structure for the SM varies in accordance with the operational / functional nature of their responsibilities, and is weighted towards performance related elements that take into account individual, functional and corporate performance.

MCE HOLDINGS BERHAD (1158341-K)
REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

The components of the remuneration include the following:-

(a) Fixed remuneration

The fixed remuneration includes the following:-

- (i) basic salary (including the statutory contribution to the Employees Provident Fund (“EPF”)) which is based on duties and responsibilities. The basic salary is normally set at market median level;
- (ii) company car and driver (if applicable); and
- (iii) travelling and car allowance (if applicable).

(b) Variable remuneration

The variable remuneration inclusive of annual bonus and salary increment of the SM is subject to review by the NRC and Board depend on the performance of the Group for the relevant financial year, which is determined based on current economic situations and taking into consideration where there are significant changes in scope and/or level of duties and responsibilities, roles and contributions of SM.

(c) Other Benefits

Other benefits may include hospitalisation & surgical, dental, group term insurance with critical illness, group personal accident, optical and mobile phone entitlement.

Remuneration Review Procedures and Responsibilities

The annual remuneration review takes place in June annually or such timeline as may be determined by the Board. The remuneration of the Group’s employees will be reviewed by the Group’s human resources function with the relevant internal and external inputs before presenting it to the GMD or in his absence the GED for approval. The NRC reviews the remuneration of NED, GMD, GED and top SM in the month of September annually whereby the NRC will consider various factors including the performance of the Group, individual performance, duties, responsibilities and commitments of the Directors and top SM. The NRC will also consider the available market remuneration data or benchmarks to determine whether and to what extent the changes of the remuneration are required. Upon the review by the NRC, the appropriate recommendations will be made to the Board for approval. The Board will consider, and if deemed appropriate, approve the recommended remuneration for the GMD, GED and top SM. As for the remuneration of the NED, upon the endorsement of the recommendation by the NRC, the Board will propose the remuneration for approval by the shareholders at the annual general meeting.

Applicability

The Policy applies to Directors and SM of the Group.

Review of the Policy

The NRC will review the Policy periodically and discuss any changes that may be required, and recommend any such changes to the Board for consideration and approval.