

BOILERMECH HOLDINGS BERHAD
(201001013463) (897694-T)
(Incorporated in Malaysia)

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

1. Objective

- 1.1 This Remuneration Policy for Directors and Senior Management of Boilermech Holdings Berhad (“Company”) aims to attract, motivate and retain individuals of high calibre and talent at the Board of Directors (“Board”) and Senior Management level, to drive the Company’s business goals and strategies and ensure long-term business sustainability which are aligned with Shareholders’ interests.

2. Policy Details

- 2.1 This Policy applies to the Executive Directors, Non-Executive Directors and Senior Management of the Company.
- 2.2 The key principles of this Policy is to ensure that the remuneration framework and terms of employment for Directors and Senior Management remains current, equitable and competitive in alignment with prevalent market practices, the Company’s culture, objectives and business strategies whilst being mindful of internal relativities.
- 2.3 The Directors are required to abstain from deliberating and voting on their own remuneration at Board and/or Remuneration Committee meetings.

3. Basis and Components of Remuneration

The basis and components of the remuneration package of the Executive Directors, Non-Executive Directors and Senior Management are outlined as follows:-

3.1 Executive Directors

- 3.1.1 The composition of the Executive Directors’ remuneration is made up of basic salaries, performance bonus, directors’ fees, allowances and emoluments, benefits-in-kind and et-cetera.
- 3.1.2 The following factors are taken into consideration in determining the remuneration of the Executive Directors which shall commensurate with:-
- Experience, knowledge and professional skills
 - Scope of duties and responsibilities
 - Individual performance
 - Corporate performance
 - Economic situation
 - Market competitiveness and market benchmark.
- 3.1.3 The Remuneration Committee shall review the remuneration of the Executive Directors on an annual basis and make its recommendations to the Board for approval.

3.2 Non-Executive Directors

- 3.2.1 The composition of the Non-Executive Directors' remuneration is made up of Non-Executive Directors' fees and meeting allowance.
- 3.2.2 The remuneration of Non-Executive Directors shall be determined on the basis of their qualification, experience, expertise, responsibilities, time commitment and their obligation in bringing objectivity and independent judgement on matters discussed at Board meetings.
- 3.2.3 The Remuneration Committee shall review the remuneration of the Non-Executive Directors on an annual basis and make its recommendations to the Board.
- 3.2.4 The annual Non-Executive Directors' fees and meeting allowance payable to the Non-Executive Directors are subject to Shareholders' approval at the Annual General Meetings of the Company.

3.3 Senior Management

- 3.3.1 The composition of the Senior Management's remuneration is made up of basic salaries, performance bonus, allowances and emoluments, benefits-in-kind and et-cetera.
- 3.3.2 The following factors are taken into consideration in determining the remuneration of the Senior Management which shall commensurate with:-
- Scope of duties and responsibilities
 - Skill and experience
 - Individual performance
 - Corporate performance
 - Market competitiveness and market benchmark.

4. Benchmarking and Remuneration Framework

- 4.1 Periodic benchmarking of the Executive Directors, Non-Executive Directors and Senior Management's remuneration shall be undertaken as and when the Board deems necessary, to assess the competitiveness of the Company's remuneration packages in the market with reference to companies in similar industries and scale.
- 4.2 The Remuneration Committee shall be responsible for reviewing and recommending a remuneration framework for the Directors and Senior Management of the Company for the Board's approval.

5. Review of Policy and Governance

- 5.1 This Policy shall be reviewed by the Remuneration Committee on a periodic basis to ensure it remains relevant and appropriate and shall be subject to the Board's approval. Any amendment(s) made to this Policy shall also be subject to the Board's approval.
- 5.2 This Policy has been approved by the Board of Directors of Boilermech Holdings Berhad based on the recommendation of the Remuneration Committee on 21 November 2019.