



CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)

GROUP REMUNERATION POLICY

Overview

The Group Remuneration Policy (“Policy”) is designed to serve as a transparent approach and guidance for the Board of CB Industrial Product Holding Berhad (“CBIPH”) in line with Malaysian Code of Corporate Governance 2017 (“MCCG 2017”).

It is a long-term human capital policy designed to attract, motivate and retain the right talent of the Board members and the key senior management and at the same time, to ensure the interests of the Board members and key senior management are aligned with the group’s strategy, vision, mission and entrepreneurship. The remuneration package is variable and linked to the delivery of business results of the Group and also intended to reflect the meeting of shareholders’ expectation.

CBIPH believes that by having a committed pool of talented and qualified decision makers, the greater shareholders’ value, investors’ confidence and corporate governance.

Objective

The objective of this Policy is to assist the Board, under the purview of the Nomination and Remuneration Committee (“NRC”), to strategize and implement the long-term human capital development programme and retention packages for Board members and Key Senior Management.

Terms, Policy and Procedures

The policy is sub-divided into 3 categories of personnel:

❖ **Non-Executive Directors (“NED”)**

The NRC reviews, determines, recommends and agrees with the Board, the remuneration package for the NED to ensure that the remuneration is commensurate with their respective responsibilities and commitments to the Board and the Group.

The remuneration package of the NED consists of directors’ fees, meeting allowances, travelling allowances, benefits-in-kind (“BIK”) and other emoluments. The level of remuneration for NED is determined based on the level of expertise, experience, responsibilities undertaken and time commitment required of the NED. The fees payable to NED shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. NED are also provided with group directors and officers liability insurance coverage.

The remuneration package of the NED shall be reviewed by the NRC annually and thereafter recommended to the Board for their consideration with the NED concerned abstaining from the deliberations and voting on a decision in respect of his/her individual remuneration package. The Board will then recommend the payment of the Directors’ fees and other benefits payable to the NED to the shareholders for approval at each Annual General Meeting of the Company in accordance with the provisions of the Companies Act 2016.



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❖ Executive Directors (“ED”)

The term of ED refers to the Managing Director and Executive Directors of the Board.

The NRC review, determine, recommend and agree with the Board the remuneration package for the ED ensuring that remuneration is set at a competitive level for similar roles within comparable markets to recruit, attract, retain and motivate high calibre individuals and so structured as to align their interests with those of the Company and its shareholders. When recommending remuneration package, the NRC considers practice in other comparable companies in similar industry as well as other companies of a similar size, geographical area and business dynamic to the Group.

The remuneration package of the ED consist of basic salary, performance based bonus, Employees Share Option Scheme (“ESOS”), BIK and other emoluments (where applicable). The remuneration package of the ED is structured so as to link reward to individual and corporate performance. The performance of ED is measured by the achievement of the Group’s and the respective business segment’s objective. The framework of measurement is based on pre-determined key performance indicators set by the Board.

The remuneration payable to the ED shall not include a commission on or percentage of turnover.

The ED concerned shall not participate in the decision of their own remuneration but may attend the NRC Meeting at the invitation of the Chairman of the NRC, if their presence is required.

❖ Key Senior Management

The term of Key Senior Management refers to C-Suite Officer and Key Management Personnel. The C-Suite Officer in this context refers to Chief Executive Officer (*or Managing Director*), Chief Operating Officer and Chief Financial Officer, whereas the Key Management Personnel refer to the Executive Directors and the Key Senior Managers of the subsidiaries within the Group to whom are under the supervision of the Chief Executive Officer (*or Managing Director*).

The remuneration package of the Key Senior Management consists of basic salary, performance based bonus, ESOS, BIK and other incentive (where applicable). The remuneration of the Key Senior Management is determined at a level which enables the Company to attract, develop and retain high performing and talented individual with the relevant experience, expertise, responsibilities and is structured so as link reward to individual and corporate performance.

The remuneration of the C-Suite Officer are set by the Board of Directors based on the recommendation from the NRC, whereas the remuneration of other Key Management Personnel shall be reviewed and approved by the Chief Executive Officer (*or Managing Director*). The Chief Executive Officer (*or Managing Director*) shall evaluates the performance of the Key Management Personnel.

Review of Policy

The NRC shall review and assess the effectiveness and continued relevance of this Policy periodically. Any revisions to this Policy are recommended by the NRC will be submitted to the Board of Directors for approval.