

## REMUNERATION FRAMEWORK FOR NON-EXECUTIVE DIRECTORS (NEDs) OF MALAYSIA MARINE AND HEAVY ENGINEERING HOLDINGS BERHAD (MHB/COMPANY)

### 1. Directors' Remuneration Framework (DRF)

1.1 The DRF of MHB is based on the PETRONAS Public Listed Companies NEDs Remuneration Guidelines and Remuneration Package.

### 2. Remuneration<sup>1</sup>

NEDs shall be remunerated as follows:

#### 2.1 Retainer Fees<sup>2</sup>

- (i) NEDs possessing the right mix of experience and skills shall be paid a fixed/standard Retainer Fee.
- (ii) The Chairman's Retainer Fee shall not be more than two (2) times higher than the other NEDs to reflect the additional responsibility assumed by the Chairman.

#### 2.2 Special Fee

- (i) In addition to the Retainer Fee above, a Special Fee shall be paid to the NEDs with special experience and skills which are critical to the Company's business.
- (ii) The Special Fee shall be paid per every meeting attended based on the following formula:

Special Fee = Between 1 to 5 times multiple of meeting attendance fee
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- (iii) The actual Special Fee amount in relation to item 2.2(ii) above shall be determined on a case to case basis by the Nomination & Remuneration Committee and subsequently approved by the Board of the Company.
- (iv) The Special Fee shall only be paid per the attendance of Board meetings and it does not apply to Board Committee meetings. The Special Fee shall also be paid as an addition to the standard Attendance Allowance received by all NEDs.

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<sup>1</sup> Includes fees, benefits, other benefits and other emoluments

<sup>2</sup> Defined as "fixed fee paid on monthly basis to the NEDs who have been engaged by the Company to perform their specific action or duties, responsibilities and roles".

### **2.3 Attendance Allowance Per Meeting (Board & Board Committee Meetings and Board Away Days)**

- (i) NEDs shall be paid attendance allowance for every meeting (Board & Board Committee Meetings and Board Away Days) attended.

### **2.4 Allowance for Meeting via Tele/Video Conferencing**

- (i) NEDs shall be paid allowance for attending meeting via tele/video conferencing in the event that the NEDs are unable to physically attend the meeting. This allowance is in lieu of the Attendance Allowance in item 2.3 above.

### **2.5 Benefits<sup>3</sup>**

#### **(i) Petrol Allowance**

NEDs are given a petrol card with affixed maximum amount per year and any expenditure in excess of the maximum amount shall be borne by the Company. Any expenditure in excess of the fixed maximum amount shall be borne by the respective NEDs.

### **2.6 Other Benefits<sup>4</sup>**

#### **(i) Directors and Officers Liability Insurance ("D&O Insurance")**

The Company will provide D&O Insurance to indemnify NEDs to the extent allowed by the Companies Act 2016 and to the extent it is insurable under the D&O Insurance.

#### **(ii) Travelling on Official Business**

The Company will reimburse the NEDs actual expenses relating to accommodation, meal and travelling expenses properly incurred whilst on the Company's official business.

## **3. Review of DRF**

- 3.1 The review of the DRF will be undertaken every three (3) years.

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<sup>3</sup> Defined as "benefits that are not convertible into money even though they may have monetary value, which may include but is not limited to petrol allowance, club fees and/or subscriptions, car and driver".

<sup>4</sup> Defined as "benefits that are forming part of remuneration, which may include but is not limited to reimbursement for travelling on official business, medical benefits, insurance".