



MIECO CHIPBOARD BERHAD

Registration No. 197201001235 (12849-K)

Remuneration Policy

REMUNERATION POLICY

Directors and Key Senior Management Remuneration Policy

The Remuneration Policy and Procedures set out pertinent remuneration principles and guidelines for members of the Board of Directors and Key Senior Management (Senior General Managers, General Managers) of Mieco Chipboard Berhad (“the “Company”) and its subsidiaries (“MIECO Group” or the “Group”).

OBJECTIVES

The Remuneration Policy and Procedures are designed to:

- create a remuneration structure that is competitive so as to attract, motivate, reward and retain Directors and Key Senior Management who have the necessary expertise lead the Group towards realising its corporate strategies and long-term objectives;
- provide transparency, clarity and an independent process on compensating Executive Directors (“EDs”) and Key Senior Management, taking into account their experience, knowledge, extent of responsibility and individual performance, including the performance of the Group, and prevailing market and industry statistics; and
- provide a structured basis in determining the remuneration of Non-Executive Directors (“Non-EDs”), which is commensurate with the responsibilities of the Non-EDs, for example their involvement and contribution both in the Board and Board Committees, including attendance at meetings.

PRINCIPLES

The Remuneration Policy is guided by the following key principles in remunerating the Directors and Key Senior Management :

- salaries and other emoluments (including bonus, benefits and any other elements) payable to EDs and Key Senior Management in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.
- fees payable to Non-EDs in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- fees and benefits payable to an alternate Director (if any) shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.



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- level of remuneration of EDs and Key Senior Management of the Group shall be aligned with the business strategy and long-term objectives of the Group and shall reflect their calibre, competency, experience, skills, expertise, responsibilities and commitment as well as the complexity of the Group’s activities. Thus, the components of their remuneration shall be structured so as to link rewards to corporate and individual performance.
- level of remuneration for Non-EDs shall reflect the contributions, commitment, experience, expertise and responsibilities undertaken by the particular Non-ED concerned and the complexity of the Group’s activities.

Remuneration Structure

The tables below set out the main components and operation of the remuneration structure packages of EDs and Key Senior Management of the Group:

Remuneration structure for the EDs and Key Senior Management of the Group

Base Salary	A fixed monthly salary will be paid taking into consideration the following :- <ul style="list-style-type: none">• job nature of the position, including scope of duties, responsibilities and complexity;• level of skill and experience; and• market and industry rate Monthly salary will be reviewed based on the individual performance and achievements of the Company/the Group and comparable market rate within the industry.
Bonus	Bonus will be paid to reward, retain and motivate the individual and will be dependent on the performance of the Company/the Group and the personal contribution to the Group’s strategy, operation and performance.
Benefits	Benefits which include contribution of Employee Provident Fund (EPF), SOCSO, medical benefits, medical and life insurance, motor vehicle, driver, hand phone, travelling and entertainment claims, amongst others, will be provided based on the employment benefits as per the Group’s human resource policy in the context of market practices from time to time.

In order to ensure the remuneration for EDs is fair and reasonable, the NRC is empowered to make qualitative and quantitative assessment of performance of the EDs in reaching its recommendations to the Board for approval.

Whereas, the remuneration for the Key Senior Management in the Group will be reviewed by the EDs.



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Remuneration structure for Non-EDs of the Company

Fee	<p>A fixed fee will be paid for their contribution to the Board and the Company. The fixed fee is determined based on the following factors:</p> <ul style="list-style-type: none">• qualification, experience, skills, expertise and contribution required in view of the Group's complexity and the length of service with the Company;• extent of the duty and responsibilities assumed, such as additional role as Chairman, and/or members in Board Committees;• market and industry rate of similar companies; and• chairman and member of Audit Committee entitle additional fee annually.
Meeting allowance	<p>A fixed meeting attendance allowance will be paid on per meeting basis.</p>

The determination of the fee for Non-EDs is a matter for the Board as a whole. Their fee are reviewed annually with reference to the companies of similar industries or scale by the Committee and the Board. The fee of the Directors and benefits payable to the Non-EDs are subject to the Company's Shareholders' approval.

GOVERNANCE OF REMUNERATION

- On annual basis, the NRC shall review and recommend the remuneration of the Directors of the Group to the Board for approval.
- The EDs and Non-EDs shall abstain from the deliberations and voting in respect of their own remuneration.
- Fees and/or benefits (including meeting allowance) payable to Non-EDs of the Company shall be subject to annual shareholders' approval at the general meeting of the Company.
- Directors who are shareholders should abstain from voting at general meetings to approve their own remuneration.

REVIEW AND DISCLOSURE

- The Policy shall be reviewed and updated as and when required. The NRC shall recommend any changes to the Policy in such manner as the NRC deems appropriate to the Board for approval.

This Policy was adopted by the Board of MIECO on 23 August 2023.