

MANFORCE GROUP BERHAD
(Registration No.: 201701014455 (1228620-V))
(Incorporated in Malaysia)

Board Remuneration Policy

The Board of Director (“the Board”) of **MANFORCE GROUP BERHAD** (“the Company”) assumes the overall responsibility to establish and implement effective remuneration policy for the members of the Board (“Board Remuneration Policy”) in pursue of the medium to long term objectives of the Company and its subsidiaries (“the Group”). The responsibility of the implementation of this Board Remuneration Policy is delegated to the Non-Executive Director(s).

This Board Remuneration Policy outlines the guiding principles for the remuneration of the Company. The Policy will be reviewed every year by the Non-Executive Director(s) and report to the Board. If and when required, the Non-Executive Director(s) will submit recommendations for changes to the Policy to the Board for deliberation and approval.

A. Objectives

The objectives of the Board Remuneration Policy are as follows:

- to enable the Company to attract and retain highly qualified members to enable the Company to provide a well-balanced and competitive directors compensation package.
- to ensure that the interests of Executive Directors are aligned with the business strategy, risk tolerance, values and medium to long-term interests of the Group and is consistent with the "pay-for-performance" principle.
- to promote strong teamwork culture among the Executive Directors.
- to instill transparency and openness in the review and approval of compensation package of the Board’s members.

B. Principal Components of Compensation for Executive Directors

The principal elements of the Executive Directors remuneration program consist of fixed and variable compensation, benefits and other arrangements.

i. Fixed Salary

- For each Executive Director, the Non-Executive Director(s) will review the amount of Fixed Salary as part of total compensation proposed by the Chief Executive Officer.
- Fixed salary for each Executive Directors is determined based on his/her knowledge, skills, experience and responsibilities assigned.
- Fixed Salary shall be reviewed by Non-Executive Director(s) at least once annually and to report the results of the review to the Board for deliberation and approval. Non-Executive Director(s) will take into consideration, including but not limited to, the performance of respective Executive Directors, country of assignment, country specific annual inflation rate, market rate of pay and etc.

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- Executive Directors shall be abstained from deliberation and approval of his/her own fixed salary during the motion.

ii. Variable Compensation

Variable Compensation will be used to strengthen Executive Directors' commitment to the Group's business strategy, risk tolerance, value and medium and long-term performance.

- Variable Compensation is initially granted based on collective performance of Executive Directors as measured against key performance indicators and financial targets established by the Board and Personal Objectives.
- The Group's Annual Incentive Plan such as performance bonus is designed to reward Executive Directors for the achievement of annual key performance indicators and financial targets determined annually based on Group Budget.
- Variable Compensation shall not include commission on or percentage of sales.
- Variable Compensation shall be reviewed by Non-Executive Director(s) upon the Variable Compensation proposed by the Chief Executive Officer and to report the results of the review to the Board for deliberation and approval.
- Executive Directors shall be abstained from deliberation and approval of his/her own Variable Compensation during the motion to deliberate and approval of his/her Variable Compensation.

iii. Equity-based Remuneration

Employees' Share Issue Scheme ("ESIS") is the company long-term incentive program for Executive Directors to align their interests with medium to long term interests of the Group.

- Subject to the provisions of the Constitution and LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad, the offering and granting of ESIS to Executive Directors shall be reviewed and proposed by Non-Executive Director(s) to the Board based on the knowledge, skills and competency of individual Executive Director and his/her past and expected contribution to the Group in the future in accordance with the by-laws of the ESIS scheme in compliance with relevant listing requirements ("LR"). The Board shall deliberate and propose the granting of ESIS to Executive Directors for approval of shareholders in general meeting.
- Executive Directors shall be abstained from deliberation of proposed offering and granting of ESOS to him/her during the motion to deliberate and approval the proposed offering and granting.

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iv. Benefits and Other Arrangements

Executive Directors receive other benefits-in-kind based on their contractual agreements, local customs and comparable arrangements for comparable senior executive in the industry.

- Benefits-in-kind shall be reviewed by Non-Executive Director(s) upon the benefits-in-kind proposed by the Chief Executive Officer and to report the results of the review to the Board for deliberation and approval.
- Executive Directors shall be abstained from deliberation and approval of his/her own benefits-in-kind during the motion to deliberate and approval of his/her benefits-in-kind.

C. Principal Components of Compensation for Non-Executive Director

The Company's Non-Executive Director(s) shall be remunerated in the following manner:

i. Annual Director's Fees

- Annual director's fee for non-executive director(s) is fixed for all non-executive director(s) based on his/her knowledge, skills, competency, responsibilities assigned to such director and his/her contributions to the Board and the Board Committees.
- Annual director fees for non-executive director(s) shall be reviewed by the Board as a whole annually and proposed to shareholders for approval in general meeting.

ii. Allowance

- Allowances are granted to non-executive director(s) for the purpose to defray cost/expenses incurred by him/her in carrying out the responsibilities assigned to he/she. Such allowances shall be subject to review and approval from the Board as a whole annually.

Compensation for non-executive director(s) shall not be paid in linear relationship solely based on financial performance of the Group and shall not include bonus schemes and equity vesting entitlements to prevent potential conflict with their primary role as an independent representative of stakeholders.

Non-executive director(s) shall be abstained from deliberation and approval of his/her own compensation during the motion to deliberate and approval of his/her compensation by the Board.

Reviewed on 23 August 2024