

## **REMUNERATION POLICY FOR DIRECTORS & SENIOR MANAGEMENT**

### **1. Introduction**

The Directors' and Senior Management's Remuneration Policy ("**Policy**") adopted by the Board of Directors of Mercury Securities Group Berhad ("**Board**") sets out the criteria to be used in recommending the remuneration package of Directors and Senior Management of Mercury Securities Group Berhad and its subsidiaries ("**Group**").

### **2. Objectives**

This Policy is designed with the aim to create a remuneration structure that is competitive so as to attract, develop, reward, motivate and retain Directors and Senior Management.

This Policy is structured based on the following key principles:

- a) The remuneration shall be set at levels that are competitive with the industry and comparable competitors in order to attract, develop, motivate and retain talents as part of the Group's succession planning.
- b) For Executive Directors and Senior Management, their remuneration package shall commensurate with, amongst others, the responsibilities and complexities of their position, performance and contribution.
- c) Performance measurement and targets set for Executive Directors and Senior Management shall be aligned with the Group's business strategy and long-term objectives with shareholders' interest in mind.
- d) The level of remuneration for Non-Executive Directors shall be linked to their role, level of responsibilities undertaken and overall contributions to the Board.

### **3. Remuneration Structure of Executive Directors and Senior Management**

- a) Executive Directors and Senior Management shall be paid a fixed remuneration, consisting of fixed salary, allowances and other benefits such as contribution to the Employees' Provident Fund, medical insurance, medical benefits, motor vehicles benefits and annual leave.
- b) The fixed remuneration is set based upon amongst others, job nature of position (including responsibilities, scale and complexities), level of skills, qualifications and experience required, current market rate (within the industry and comparable competitors), corporate and individual performance.
- c) Executive Directors and Senior Management are eligible for annual bonus and incentive payments. The bonus and incentive payments are based of the Group's performance as well as individual performance.

#### **4. Remuneration of Non-Executive Directors (“NEDs”)**

- a) The remuneration of NEDs comprises of fixed fees, Chairman’s allowance, meeting allowance and reimbursable/claimable expenses incurred in the course of carrying out their duties as Directors.
- b) The fixed fees of the NEDs shall be determined according to, amongst others, current market rate in similar industries, scope of duties and responsibilities, number of meetings attended during the financial year and corporate performance.
- c) In circumstances where the Board and Board Committees’ meetings are held on the same day, only one meeting allowance is paid to each of the Director.

#### **5. Remuneration Policy and Processes**

- a) The annual salaries, incentives arrangements, service arrangements and other employment conditions for Executive Directors and/or Senior Management are to be reviewed by the Remuneration Committee (“**RC**”) and recommend to the Board for approval.
- b) Senior Management who report to the Managing Director (“**MD**”) are evaluated annually by the MD premised on annual measurements and targets set. Thereafter, the MD shall recommend the remuneration of Senior Management to the RC for consideration and subsequent recommendation to the Board for approval.
- c) This Policy is in line with the Group’s business strategy and long-term objectives and overall practice on compensation and benefits which is to reward employees competitively, taking into account corporate and individual performance, market comparisons and competitive pressures in the industry.
- d) The remuneration policy for NEDs is to develop a remuneration structure that commensurate with their scope of duties and responsibilities at both the Board and Board Committees level.
- e) Fees payable to NEDs shall be a fixed sum, and not by a commission on or percentage of profits or turnover. For meeting allowance, no distinction shall be made between participation in person and virtual participation by teleconference or other electronic mode. Virtual participation during meetings will constitute attendance and meeting allowance will be accorded accordingly.

## **6. Periodic Review and Disclosure**

- a) The RC should review periodically the criteria to be used in recommending the remuneration package of the Directors and Senior Management. The RC should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.
- b) The Board may seek external professional advice for the purpose of enhancing the remuneration packages in tandem with the development in the market place and to formulate an attractive and competitive compensation and benefits package to attract, develop, motivate and retain talents.
- c) The Board shall amend this Policy by a resolution of the Board.
- d) The Board should disclose this Policy in the Company's website.