
MBSB REMUNERATION FRAMEWORK FOR DIRECTORS

Last reviewed on 30 January 2018

Introduction

1. MBSB Remuneration Framework for Directors is designed in a way to support the strategies and long-term vision of the Company as well as provides adequate motivational incentive for directors to pursue long-term growth and success of the Company.

Key principles

1. The level of remuneration for the Directors shall be determined and recommended by the Nominating and Remuneration (“N&R”) Committee to the Board after giving due consideration all relevant factors including the Directors fiduciary duties, time commitments expected of the Directors, Company’s performance, market conditions as well as the compensation level for comparable positions among other similar Malaysian public listed companies.
2. The overall remuneration system shall be in line with the business and risk strategies, corporate values and long-term interests of the Company and shall be implemented with input from the Board Risk Management Committee to ensure that risk exposures and risk outcomes are adequately considered.
3. The Directors shall be paid a fixed sum (and not by a commission on or percentage of profits or turnover of the Company) out of the funds of the Company.
4. The remuneration payable to Directors is determined by shareholders resolution in accordance with the Company’s Articles of Association and shall not be increased except in pursuant to a resolution passed at a general meeting.

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The Company has adopted the following approaches in determining the fees for the Chairman and Non-Executive Directors:-

Directors' Fee for Chairman	The quantum and structure of Chairman's remuneration is reviewed on yearly basis by the Nominating and Remuneration Committee, and subsequently recommended to the Board for further recommendation to the Shareholders for approval.
Chairman's office	The Chairman is provided with an office and full time secretarial and administrative support in MBSB. A fixed monthly car allowance together with a driver are provided. All reasonable travelling and other expenses incurred in carrying out his duties will be reimbursed.
Directors' Fee for Non-Executive Directors	The quantum and structure of Non-Executive Directors' remuneration is reviewed on yearly basis by the Nominating and Remuneration Committee, and subsequently recommended to the Board for further recommendation to the Shareholders for approval.
Directors' Fee for Non-Executive Directors	The Executive Directors should not be involved in deciding their own remuneration.
Committee Chairmanship Fee	The Chairman of the following Committees will receive an additional fee to reflect additional responsibility in chairing a committee including time spent in preparation and liaising with the Management. i. Executive Committee ii. Audit Committee iii. Risk Management Committee iv. Nominating & Remuneration Committee

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Payment of Chairman and Directors Fees	The Chairman and Directors' Fees respectively will be paid after approval from shareholders at the General Meeting is obtained.
Meeting Allowance	The meeting allowances will be paid immediately following each meeting.
Voting Procedures	Directors who are Shareholders of MBSB shall abstain from voting on their fees in general meetings.
Directors Fees and any benefits payable to the Directors	Shareholders' approval is required to be obtained prior to the payment of fees of the Directors, and any benefits payable to the Directors including compensation for loss of employment of a Director or former Director.