

SPB DEVELOPMENT BERHAD

REMUNERATION POLICY

1. INTRODUCTION

- 1.1 SPB Development Berhad ("**Company**") believes in the importance of fair remuneration towards attracting and retaining talent and well-qualified to its Board of Directors ("**Board**").
- 1.2 The Malaysian Code on Corporate Governance ("**MCCG**") issued by the Securities Commission Malaysia recommend that the Board should have remuneration policies and procedures to determine the remuneration of Directors and senior management ("**Senior Management**"), which takes into account the demands, complexities and performance of the Company as well as skills and experience required. The remuneration policies and practices reflect the different roles and responsibilities of Non-Executive Directors, Executive Directors and Senior Management.
- 1.3 This Remuneration Policy ("**Policy**") sets out the criteria to be used in recommending the remuneration of Directors and Senior Management of the Company and its subsidiaries ("**Group**") and is in line with the best practices provisions of the MCCG.

2. OBJECTIVES

- 2.1 The principal objectives of this Policy are as follows:
- (a) to determine the level of remuneration of Directors and Senior Management;
 - (b) to attract, develop, reward and retain high performing and motivated Directors and Senior Management with a competitive remuneration package;
 - (c) to provide a remuneration such that the Directors and Senior Management are paid a remuneration which commensurate with the responsibilities of their position;
 - (d) to ensure an appropriate level of transparency underlying the remuneration of the Directors and Senior Management is understood by investors; and
 - (e) to encourage value creation for the Group and its stakeholders.
- 2.2 Key principles that this Policy adheres to:
- (a) total remuneration shall be set at competitive level with the relevant market and industry, and in consideration the Group's performance in managing material sustainability risks and opportunities;
 - (b) performance-based basis applied to Executive Directors and Senior Management of the Company;
 - (c) incentive plans, performance measures and targets shall be aligned with shareholders' interest in mind;
 - (d) an appropriate level of transparency underlying Executive Directors and Non-Executive Directors' remuneration is understood by investors;
 - (e) ensure a level of equity and consistency; and
 - (f) remuneration should reflect the different roles and responsibilities of Executive Directors and Non-Executive Directors.

3. RESPONSIBILITIES

- 3.1 The remuneration of Executive Directors and Senior Management is set by the Board based on the recommendation from the Remuneration Committee (“**RC**”) of the Company, whereas, the remuneration of Non-Executive Directors also operates on the same basis, except it requires shareholders’ approval.
- 3.2 The Remuneration Committee is empowered to make quantitative and qualitative assessment of performance in reaching its recommendations. The RC is also responsible to provide appropriate disclosure of the use of discretion, if required, so that shareholders can understand the basis of its recommendation.
- 3.3 Each Director shall abstain from deliberations and voting on decisions in respect of his/her individual remuneration.

4. REMUNERATION COMPONENTS

4.1 Remuneration Policy for Executive Directors

(a) Directors’ Fee

- (i) Executive Directors are entitled to Directors’ fees which is payable annually.
- (ii) The level and structure of the fees of Executive Directors is reviewed by RC who will make recommendations to the Board after taking into consideration the following:
- qualifications and contributions required in view of the Group’s business;
 - extent of the duty and responsibilities; and
 - number of Board meetings.
- (iii) Executive Directors do not vote on their own remuneration.

- (a) The determination of the remuneration of Executive Directors is decided by the Board as a whole and subject to shareholders’ approval, with individual Directors abstaining from discussion of his own remuneration.

(b) Salary

- (i) The fixed salary of the Executive Directors is determined after taking into consideration the following:
- scope and nature of the role, duty and responsibilities;
 - conditions and experiences required;
 - ethical values and strategic targets of the Company;
 - corporate and individual performance; and
 - current market rate within the industry and in comparable companies.
- (ii) Executive Directors shall play no part in the decision of their own remuneration but may attend the RC meetings at the invitation of the RC Chairman, if their presence is required.

(c) Benefits

- (i) Executive Directors are entitled to receive those benefits available to all employees of the Company (“**Employees**”). The said benefits include contributions to Employees Provident Fund (“**EPF**”) and Social Security Organisation (“**SOCSO**”), group insurance coverage, medical benefits, travelling and entertainment claims, motor vehicle related benefits and annual leave

- (ii) Executive Directors may receive other benefits that are considered to be appropriate in terms of the individual's role by RC.
- (d) Annual Bonus
 - (i) To provide variable remuneration dependent on performance against annual financial, operational and employee engagement measures.
 - (ii) The bonus is based on performance against annual measures and targets set at the start of the year, evaluated at the end of the financial year.
 - (iii) The level of bonus payable may vary depending on the job performance.
 - (iv) The bonus is granted to reflect the performance of Executive Directors as well as the performance of the Group for the year.

4.2 Remuneration Policy for Non-Executive Directors

- (a) Directors' Fee
 - (i) Remuneration of Non-Executive Directors is in the form of fees, payable monthly. Remuneration practice is consistent with recognised best practice standards for Non-Executive Directors' remuneration and, as a Malaysian listed company, the level and structure of Non-Executive Directors' remuneration will primarily be compared against Malaysia best practice.
 - (ii) The level and structure of the remuneration of Non-Executive Directors is reviewed by RC who will make recommendations to the Board after taking into consideration the following:
 - qualifications and contributions required in view of the Group's business;
 - extent of the duty and responsibilities; and
 - number of Board meetings.
 - (iii) Non-Executive Directors do not vote on their own remuneration.
 - (iv) The determination of the remuneration of Non-Executive Directors is decided by the Board as a whole and subject to shareholders' approval, with individual Directors abstaining from discussion of his own remuneration.
- (b) Allowance and Benefits
 - (i) Non-Executive Directors receive an allowance, which is paid in cash, for the purpose of attending Board or Committee meetings.
 - (ii) Benefits are to be determined and approved by the Board from time to time.

4.3 Remuneration Policy for Senior Management

- (a) Salary

The fixed salary of the Senior Management is determined after taking into consideration the following:

- scope and nature of the role, duty and responsibilities;
- conditions and experiences required;
- ethical values and strategic targets of the Company;
- corporate and individual performance; and
- current market rate within the industry and in comparable companies.

- (b) Benefits
 - (i) Senior Management are entitled to receive those benefits available to all Employees. The said benefits include contributions to EPF and SOCSO, group insurance coverage, medical benefits, travelling and entertainment claims, motor vehicle related benefits and annual leave.
 - (ii) Senior Management may receive other benefits that are considered to be appropriate in terms of the individual's role by RC.
- (c) Annual Bonus
 - (i) To provide variable remuneration dependent on performance against annual financial, operational and employee engagement measures.
 - (ii) The bonus is based on performance against annual measures and targets set at the start of the year, evaluated at the end of the financial year.
 - (iii) The level of bonus payable may vary depending on the job performance.
 - (iv) The bonus is granted to reflect the performance of Senior Management as well as the performance of the Group for the year.

4.4 Other Benefits and Allowances

The other benefits and allowances which should be decided by the Board as a whole upon the recommendation of the RC include:

- (a) allowance of the Board Chairman;
- (b) expenses incurred in the course of their duties as Directors and Senior Management; and
- (c) benefit-in-kind such as motor vehicle, petrol, driver and accommodation and such other benefits deemed appropriate and in line with industry standards.

5. MONITORING AND REPORTING

- 5.1 On an annual basis, the RC shall discuss and agree on all measurable objectives for offering fair remuneration for Directors and Senior Management and recommend them to the Board for adoption.
- 5.2 The Board is free to seek to improve one or more aspects of the remuneration packages and measure progress accordingly. On this, the Board may seek professional advice from outside sources to assist the Board in formulating an attractive compensation and benefits package that aims to attract, retain and motivate talents.
- 5.3 The RC presents the findings of its evaluation to the Board and recommends remuneration packages for the Board's endorsement.
- 5.4 It is the ultimate responsibility of the Board as a whole to decide on the remuneration of the Directors and Senior Management. The Directors' fees for the Non-Executive Directors would be submitted to the shareholders for approval at the Annual General Meeting.

6. DISCLOSURE

- 6.1 The Board shall make appropriate disclosures in the annual report in relation to the remuneration of Directors and Senior Management in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad and the MCCG.

- 6.2 The remuneration of Directors and Senior Management shall be disclosed on named basis with categorisation into appropriate components (e.g. Directors' fees, salaries, percentages, bonuses, commission, compensation for loss of office, benefits in kind based on an estimated money value) in the annual report and corporate governance report.
- 6.3 For confidentiality reasons, details of individual Directors' and Senior Management's remuneration on named basis are not disclosed in the Annual Report.

7. POLICY SUBJECT TO PERIODICAL REVIEW

- 7.1 The RC is responsible for regular reviews of this Policy and making any recommended changes to ensure that it continues to remain relevant, appropriate and consistent with the Group's practices, MCCG, MMLR or any other applicable regulatory requirements.
- 7.2 Any revisions and/or changes to the terms of this Policy as recommended by the RC shall be subject to the approval of the Board.

This Policy is approved and adopted by the Board on 18 July 2024.