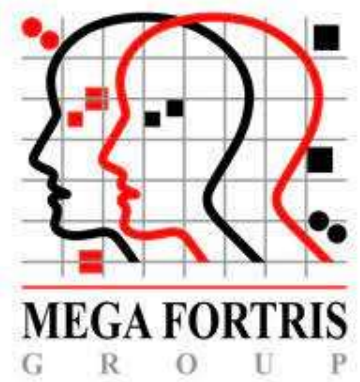


MEGA FORTRIS BERHAD

REMUNERATION POLICY

1. OBJECTIVES & GUIDING PRINCIPLES

1.1 This Remuneration Policy is designed to meet the following objectives:

(a) to attract, motivate, retain and reward the directors of the Company ("**Directors**") and senior management ("**SM**") who will manage and drive the Company's success; and

(b) to support the Directors and SM in carrying out their responsibilities and fiduciary duties in steering the Company and its subsidiaries ("**Group**") to achieve its long-term goals and enhance shareholders' value.

1.2 This Remuneration Policy is guided by the following key principles:

(a) performance measures and targets to be aligned with the Company's corporate strategy and shareholders' interest;

(b) remuneration and rewards shall be granted based on the achievement of the key performance indicator ("**KPI**") and subject to the Company's overall performance and affordability;

(c) to ensure total remuneration packages remain competitive with the relevant market and industry via periodic or appropriate market benchmarking exercises; and

(d) to integrate sustainability-related aspects into the remuneration of directors and senior management and also includes monitoring of subsequent performance in this area.

2. REMUNERATION STRUCTURE

2.1 GROUP MANAGING DIRECTOR ("GMD"), EXECUTIVE DIRECTOR ("ED") AND SM

The remuneration structure for the GMD, ED and SM varies in accordance with the job grades and the operational/functional responsibilities, and is weighted towards performance related elements that take into account individual, functional and corporate performance. The components of the remuneration include the following:

a) Fixed Components

Fixed Components	**Target Performance**
Fixed Salary	(i) The scope of the duty and responsibilities; (ii) The conditions, experiences, and expertise required; (iii) The ethical values, internal balances, and strategic targets of the Company; (iv) The corporate and individual performance (including managing material sustainability risks and opportunities); (v) Current market rate within the industry and incomparable companies; and (vi) Merit, qualification, and competence.

Fixed Components	**Target Performance**
Employer superannuation contribution in line with statutory obligations	In accordance with statutory requirements
SOCSO & EIS	In accordance with statutory requirements
Reimbursement Expenses	All their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending board meetings of the Company or business meetings.
Other Benefits	Hospitalisation and surgical, dental, group term insurance with critical illness, group personal accident and mobile phone entitlement.

b) Variable Components Based on Performance-Linked

The variable remuneration of the GMD, ED and SM depend on the performance of the Group for the relevant financial year, which is determined based on the individual key KPI and aligned to the sustainability management scorecard of the Group. The strategic initiatives or KPIs set for the GMD, ED and SM encompass management of sustainability-related aspects and also including monitoring of subsequent performance in this area.

Variable Components	**KPI**
Bonus and/or Incentives and/or rewards	Short term target: (i) Creates a performance culture. (ii) Supports short-term operational objectives. (iii) Rewards achievement of financial and short-term personal targets. (iv) Achieve sustainability management scorecard of the Group.
Employee Share option	Long term target: (i) Long-term target and/or milestone (ii) Embedded sustainability across the Group and in place a good monitoring system on the sustainability performance. (iii) Purports to align with shareholder value whilst creating an effective "golden handcuff" in the long term. (iv) Retention of key talents and high-quality executives (v) addresses skills shortages

c) Any compensation for loss of employment of GMD, ED or former GMD or EDs

The determination of any compensation for loss of employment of GMD, EDs or former GMD or EDs is decided by the Board, as a whole and subject to shareholders' approval, with the individual GMD or ED abstaining from discussion of his or her remuneration. The compensation for loss of employment of GMD, EDs or former GMD or EDs is reviewed by the Remuneration Committee and the Board before tabling to the shareholders at the general meeting for approval.

The following approaches will be considered in determining the compensation of loss of employment of GMD, EDs or former GMD or EDs:

(i) Cash - all-inclusive lump sum cash payment being paid to GMD, EDs or former GMC or EDs; and

(ii) Otherwise than cash - benefits in kind.

Below are the factors to be taken into account for determining the compensation of loss of employment of GMD, EDs or former GMD or EDs:

(i) position and roles in the Group;
(ii) past corporate and individual performance and performance culture lead by the GMD, ED or former GMD or ED;
(iii) his/her past achievement within the Group and personal targets/milestones;
(iv) his/her ethical values, internal balances, and strategic targets;
(v) current market rate within the industry and in comparable companies; and
(vi) current economy.

2.2 **NON-EXECUTIVE DIRECTORS ("NEDs")**

NEDs are remunerated by way of fees and other benefits payable (in the form of cash and by a fixed sum) that are approved by shareholders on an annual basis. The remuneration should take into account fee levels and trends for similar positions in the market and the time commitment required from the NED (estimated number of days per year) as well as any additional responsibilities undertaken such as a director acting as Chairman of the Board, Chairman of a Board committee or as the Senior Independent Director.

The remuneration of NEDs is made up of Directors' fees and meeting allowances (collectively, known as "**emoluments**") as compensation for their services plus the reimbursement of expenses incurred, if any, in the course of performing their services. The level of remuneration for NEDs shall reflect the experience and level of responsibilities undertaken by the NEDs concerned. Further, the remuneration and incentives for independent directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed. The remuneration of a NEDs shall be by a fixed sum, and not be based on commission, the percentage of profits, or turnover.

The following approaches will be considered in determining the fees for NEDs:

(a) Fixed fees - all-inclusive lump sum fee being paid to NEDs;
(b) Fixed board fee plus set fees for either Chairman or member of a board committee;
(c) Fixed fees for each category of meeting, based on a pre-arranged agenda for the ensuing year; and
(d) Fixed fees for each category of meeting, with the provision that there is no payment for non-attendance.

The determination of NED's remuneration is decided by the Board, as a whole and subject to shareholders' approval, with individual NEDs abstaining from discussion of his or her remuneration. The emoluments of NEDs are reviewed by the Remuneration Committee and the Board annually.
Fees payable to NEDs shall not be increased except pursuant to separate resolutions on the approval of the fees of each NED duly passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting. Any adjustments in Directors' fees shall also be based on recommendations from the Board.

NEDs are not entitled to receive performance-based bonuses nor participate in short-term and/or long-term incentive plans.

2.3 OTHER BENEFITS AND ALLOWANCES

The benefits and allowances which shall be decided by the Board as a whole includes the following:

(a) chairman's allowance;
(b) meeting allowance;
(c) expenses incurred in the course of their duties as Directors;
(d) medical insurance and life insurance;
(e) benefit-in-kind such as a motor vehicle, petrol, driver, accommodation, and subscription and/or renewal fee of club membership; and
(f) other emoluments.

3. PROCEDURES

3.1 The Board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors and SM. The Remuneration Committee has written terms of reference which deal with its authority and duties and these terms are disclosed on the Company's website.

3.2 The Remuneration Committee should only consist of NEDs and a majority of them must be Independent Directors, drawing advice from experts, if necessary.

4. APPROVAL

The fees of the Directors, and any benefits payable to the Directors including any compensation of loss of employment of GMD, EDs or former GMD or EDs, shall be subject to annual shareholders' approval at a general meeting. Directors who are shareholders and controlling shareholders with a nominee or connected Director on the Board should also abstain from voting on the resolution to approve the relevant Directors' fees at the general meeting. Similarly, GMD and EDs should not be involved in deciding their remuneration.

5. PERIODIC REVIEW AND DISCLOSURE

5.1 The Remuneration Committee should conduct a periodic review of the criteria and procedures to be used in recommending the remuneration packages of Directors and SM. The Remuneration Committee should promptly communicate the new changes or amendments of the criteria and procedures to the Board and individual Directors. The detailed disclosure in the annual report allows shareholders to make an informed decision when voting on the approval of Directors' remuneration and to consider the appropriate remuneration package taking into account the responsibilities of the Directors.

5.2 The disclosure of how the remuneration is measured allows stakeholders to understand the link between Directors and SM's remuneration and the Company's performance. This will also enable stakeholders to determine whether such remuneration is fair and able to attract and retain talent.

5.3 The Company will disclose the remuneration of directors for the financial year in the Company's annual report in the following manner:

(a) to establish frequent communication with other board committees, namely Nominating Committee, to align remuneration policies and procedures to succession plans and talent management of executives, and Sustainability and Risk Management Committee to ensure risk outcomes are adequately considered in the design of remuneration policies and procedures;

(b) to oversee the qualitative and quantitative disclosures of remuneration made in the annual report and notice to general meetings, and ensure that resolutions on the approval of the fees for each NED is tabled separately at general meetings;

(c) to provide clarification to shareholders during general meetings on matters pertaining to remuneration of Directors and SM as well as the overall remuneration framework of the Company;

(d) The remuneration of Directors of the Company (including the remuneration for services rendered to the Group) for the financial year on a named basis, stating the amount received or to be received from the Company and on a group basis respectively; and

(e) The disclosure must include the amount in each component of the remuneration (e.g., directors' fees, salaries, percentages, bonuses, commission, compensation for loss of office, benefits-in-kind based on an estimated money value, and other emoluments) for each Director.

EDs should not be involved in discussions to decide on their own remuneration. Directors who are shareholders and controlling shareholders with a nominee or connected director on the Board should also abstain from voting on the resolution to approve Directors' fees at the general meeting.

5.4 The Company will also disclose on a named basis the top five (including GMD and EDs) SM's remuneration component including salary, bonus, benefits-in-kind, and other emoluments in bands of RM50,000.00.

6. REVIEW OF THE REMUNERATION POLICY

6.1 The Remuneration Committee, with the support of the company secretary, shall ensure that the provisions of this Remuneration Policy continue to comply with the legal requirements and corporate governance requirements and if necessary, shall suggest amendments to this Remuneration Policy for consideration by the Board.

6.2 The Board shall review and assess the relevance of this policy from time to time or when changes to business environment or regulatory requirements necessitate a revision.

7. REVISION OF THE REMUNERATION POLICY

The provisions of this policy can be amended and supplemented from time to time by a resolution of the Board.

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Reviewed Date : 03/09/2026
Revised Date : 03/09/2026