MKH BERHAD

Registration No: 197901006663 (50948-T)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

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1. OBJECTIVES

The objective of the Remuneration Committee (**"RC"**) is to determine and recommend to the board of directors (**"Directors"** or **"Board"**) of MKH Berhad (the **"Company"**), the level and make up of Executive Director's and senior management's remuneration packages so as to ensure that the Company and its subsidiaries (the **"Group"**) attracts and retains the Directors, senior management and other talents with the appropriate calibre, experience, and quality needed to run the Group successfully. The level and make-up of the remuneration packages will be structured so as to link rewards with corporate and individual performance.

The remuneration packages of the Non-Executive Directors shall be a decision of the Board as a whole.

2. COMPOSITION

Members of the RC shall be appointed by the Board from amongst the Non-Executive Directors and shall consist of not less than two (2) members, with a majority of them being Independent Directors. The chairman of the Board and alternate Director shall not be appointed as a member of the RC.

In the event the number of members is reduced to below two (2) or there is no chairman of the RC (**"Chairman"**) in the RC, the Board shall, within three (3) months of that event, appoint such number of new members or Chairman as may be required to fulfil the requirements.

3. SECRETARY OF THE RC

The Company Secretary shall act as Secretary to the RC.

The Company Secretary shall draw up the agenda for each meeting in consultation with the Chairman of the RC. The agenda shall be sent to all members of the RC at least seven (7) calendar days before each meeting.

The Company Secretary shall promptly prepare the minutes of the meeting and circulate it to each member. The minutes of the RC shall be confirmed and signed by the Chairman of the RC or the presiding Chairman of the next succeeding meeting.

3. RC MEETING

Meeting shall be held at least once a year or more often as the RC deemed as necessary. The quorum shall be of two (2) members present.

In the absence of the Chairman of the RC, the members present shall elect one (1) of the RC members to be Chairman of the meeting.

Any members of the RC may participate in a meeting of the RC by means of video or tele-conferencing or any other communication equipment, which allows all members of the RC participating in the meeting to communicate simultaneously with each other. A member of the RC so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

4. CIRCULAR RESOLUTION

A resolution in writing described as "**Circular Resolutions of the RC**" signed by a majority of the RC members shall be valid and effectual as if it had been passed at a meeting of the RC duly called and constituted. Any such resolution may consist of several documents in the like form, each signed by one (1) or more members. The resolution in writing may be accepted as sufficiently signed by the RC member if transmitted to the Company via facsimile or other forms of electronic communications.

5. DUTIES AND RESPONSIBILITIES

The RC is responsible for recommending to the Board on the remuneration framework and packages of all Directors. The Directors shall abstain from deliberations and voting's on their own remuneration.

The main duties and responsibilities of the RC are as follows: -

(a) to assist the Board in determining the policy and structure for the compensation of Non-Executive Directors and remuneration of the Executive Directors and key management of the Group against each individual's responsibility and seniority;

(b) to review and approve annual salary increments and bonuses of Executive Directors and senior executives of the Group based on each individual Director's and senior executives individual performance and Company's operating results;

(c) to recommend to the Board the remuneration of the Executive Directors in all its forms, comparable within the industry and with comparable companies and drawing from outside advice as necessary;

(d) in the case of Non-Executive Directors, the determination of their remuneration is a matter for the Board as a whole and the level of remuneration reflects the experience and level of responsibility undertaken by the particular Non-Executive Director concerned;

(e) to ensure that the levels of remuneration for executive Directors are structured according to the skills, experience and performance of the executive Directors in order to attract, retain and motivate the executive Directors to run the Group in ways that enhance the Group's long-term profitability and value

(f) to recommend the appointment and promotion of senior executives within the Group, determine their salaries and recommend salary increments and bonuses; and

(g) The RC shall also assist the Board in making disclosures concerning the activities of the RC in the discharge of its duties for the financial year, to be included in the Company's annual report.

The RC through its Chairman, shall report matter(s) discussed and deliberated by RC to the Board, which requires attention and approval of the Board.

6. APPROVAL, REVISION AND UPDATES

This term of reference of NC has been reviewed and approved by the Board on 27 February 2025 and will be reviewed and updated periodically to ensure it remains consistent with new best practices and new legal or regulatory requirements.