

Bursa Malaysia Group Remuneration Policy for Senior Management

Objective

The Remuneration Policy is designed with the aim to support Bursa's key strategies and create a strong performance-oriented environment.

The policy shall adhere to the following key principles:

- aligned to Bursa's long term objectives and vision
- continue to serve the Exchange in attracting, motivating, retaining, rewarding and engaging employees.
- total remuneration shall be set at levels that are competitive with the relevant market and financial services industry.
- incentive plans, performance measures and targets shall be aligned with shareholders' interest in mind.
- ensure a level of equity and consistency.

Pay Philosophy

Bursa's pay philosophy is positioned at the market median (50th percentile) for fixed pay (salary and fixed allowances), across the ranks. Employees who are high performers and high-potentials, as well as, Senior Management, based on criticality of role are typically benchmarked at the market 75th percentile of Total Compensation (fixed pay and incentives).

Our base salary structure is supported by broad salary ranges to allow sufficient pay progression to attract high-calibre employees and retention of key talents.

Bursa also adopts a pay-for-performance philosophy. Therefore, the rewards structure is designed to recognise contributions towards the achievement of organisational, divisional or departmental and individual objectives.

Senior Management Remuneration Structure

Generally, Senior Management shall be recruited on a fixed term employment contract and remunerated based on their evaluated roles and responsibilities of their positions. The Nomination and Remuneration Committee (NRC) reviews and approves the remuneration packages of the Company Secretaries of Bursa and the Group's key management personnel as may be determined by the NRC from time to time.

1. Policy on Salaries

The Senior Management's remuneration package is structured based on a compensation mix of fixed components which includes a monthly basic salary, monetary incentives and

benefits-in-kind/emoluments. The remuneration levels for Senior Management are designed to enable the Exchange to attract and retain the most qualified management committee members.

2. Policy on Incentives

Incentive payments are to reward individuals for outstanding business contributions. These variable components, which are determined based on a fixed pay-mix structure and individual performance as aligned to the corporate scorecards, as approved by the Board of Directors, and divisional scorecard, are as follows:

- short-term incentives in the form of a performance-based bonus; and
- long-term incentives in the form of shares under the Restricted Share Plan and Performance Share Plan of the SGP (Plan Shares), where applicable. The SGP is effective for a period of 10 years from 18 April 2011.

3. Policy on Other Benefits (Non-Cash Benefits or Benefits-In-Kind)

Bursa provides competitive benefits to Senior Management, such as car and driver allowances, gratuity, club membership and subscription fees, leave passage, Group medical insurance, personal accident insurance and term life insurance.

4. Policy on Other Forms of Rewards

Other forms of reward include formal and informal recognition. These have been put in place to ensure there are sufficient non-monetary related rewards for motivation and sustenance of a harmonious working environment.

Information for Disclosure

The total remuneration for the Senior Management is stated in the annual report.