



(Company No. 217120- W)

(Incorporated in Malaysia under the Companies Act, 2016)

REMUNERATION COMMITTEE TERMS OF REFERENCE

(Reviewed on 30 June 2018)

Appendix III

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

Role of the Remuneration Committee

The Remuneration Committee is to assist the Board to establish a framework on the fee, remuneration and benefits for directors and senior management are made through a transparent and independent process in order to attract and retain the right talent for the board and for senior management that is able to support and pursue the long-term growth objectives of the company.

Composition of the Remuneration Committee

In line with MCCG Practice 6.2, the remuneration committee shall comprise wholly of non-executive directors with a majority of them being independent directors and number of not be less than three (3) in numbers depending upon the requirement of the company and the extent of responsibilities delegated to the committee.

The Chairman of the Committee shall be an Independent Non-Executive Director appointed by the Board. Alternate Chairman can be nominated at a meeting should the Committee Chairman not be present and he/she shall perform the same role, duty and responsibility as the Chairman appointed by the Board.

Frequency of Meetings

The Committee shall meet at least 2 (two) times a year with additional meetings when the need arises.

Quorum for Meeting

The meeting quorum shall be at least two or half of the committee members present in person for each meeting.

The Secretary

The Company Secretary or his/her nominee shall be secretary for the Committee meetings and she shall be responsible for the meeting minutes.

Minutes of Meetings

The Company Secretary shall minute the proceedings and resolutions, including the names of all attendees. Draft minutes of committee meetings shall be circulated promptly to all members of the committee for their comments and amendments. Minutes shall be re-circulated to all other members of the board, once completed and will be in meeting file ready for signing.

Authority of the Remuneration Committee / Members

The Committee's authority shall include access to resources and information as deemed appropriate to discharge their responsibilities to the board / company including obtaining independent professional advice at the company's expense. The Committee has been authorized by the Board to seek appropriate professional advice inside or outside the Group as and when it considers this

necessary by making known to the Chairman on the need to do so and thereon engage the professional advisor in view of discharging his /her responsibilities.

Responsibilities of the Chairman

1. The Remuneration Committee shall be chaired by an Independent Non- Executive Director appointed by the Board and shall be responsible for ensuring that the remuneration committee run efficiently and ensure that the committee:

a. reviews and recommends remuneration scheme for executive and non-executive directors annually and reviewing remuneration for the senior employees of the group, Executive Directors shall not be involved in deciding their own remuneration and they may be invited to participate in selected meetings of the remuneration committee to provide insights, particularly on considerations relating to the performance of the company;

b. must also be aware that remuneration for certain groups need to be considered (such as remuneration of company secretary and internal /external auditors should be determined jointly by the audit committee); and

c. hold separate sessions with the nominating committee as a formal forum to gather insights on the performance of directors and senior management with a view of integrating these considerations in recommending the remuneration of directors and senior management.

2. The Committee Chairman shall attend all annual general meetings including any extraordinary general meetings to answer any questions by shareholders on the committee's activities, in particular on areas pertaining to proposed resolutions for shareholders to consider the remuneration and benefits of the Directors, Company secretary and Auditors.

3. Committee Chairman shall ensure meetings are carried out in an effective manner and shall report to the board on its proceedings after each meeting and shall make appropriate recommendations to the board on area within its responsibility or as delegated by the board, where action or improvement is needed.

4. The Committee Chairman shall produce a report to be included in the company's annual report and shall include a statement about the activities of the committee for the financial year.

5. The Chairman together with the Committee Member establishes the policies and procedures that determines the remuneration of directors and senior management. Ensure that the Policies and procedures takes into account the demands, complexities and performance of the company as well as the skills and experience required.

Roles and Responsibilities of the Remuneration Committee

1. The main role and responsibilities of the Remuneration Committee are as follows:

a. to support the board in actively overseeing the establishment and implementation of the company's/group's remuneration policies & system;

b. to review and make recommendations to the Board on corporate goals and objectives relevant to the remuneration of the CEO/COO and the performance of the CEO/COO in light of these objectives;

c. to review and recommend to the Board on the remuneration structure of the Chief Executive Officer (CEO), Non-executive Directors, Executive Directors, other executives who report directly to the CEO/COO; particularly on whether the remuneration remains appropriate to each director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken;

d. to review and recommend to the board on the total individual remuneration package for executive directors and senior management personnel including, where appropriate, bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance;

e. to oversee the qualitative and quantitative disclosures of remuneration made in the annual report and notice to general meetings; and

f. to provide clarification to shareholders during general meetings on matters pertaining to remuneration of directors and senior management as well as the overall remuneration framework of the company; and

g. to oversee general remuneration practices across the Group of Companies.

2. In consideration of fees and salaries payable to Non-Executive Directors and Executive Directors, Committee shall ensure that it is guided by Paragraph 7.23 of Bursa Securities Listing Requirements, where the fees payable shall be by a fixed sum and not by a commission on or percentage of profits or turnover while the salaries payable to executive directors shall not include any commission on or a percentage of the Company's turnover.

3. Committee shall ensure that executive directors are not involved in deciding their own remuneration. Executive directors may, however, be invited to participate in selected meetings of the remuneration committee to provide insights, particularly on considerations relating to the performance of the company. The committee may also draw advice and enlist the professional services of experts, if necessary.

4. Under Section 230(1) of the Companies Act 2016, Company shall seek shareholders' prior approval according to Section 340(1)(c) of the Companies Act 2016 in a general meeting for any payment of directors' fees and benefits including any compensation for loss of employment of a director or former director of a company or its subsidiaries.

The provision with regards to annual shareholder approval for director's fees, and any benefits payable to directors pursuant to paragraph 7.24 of Bursa Securities Listing Requirements shall be reflected in the company's constitution. Section 230(1) of the Companies Act 2016 and shall be sought in an Annual General Meeting of the Company.

Disclosure of Remuneration

1. In line with MCGG Intended Outcome 7.0, the Remuneration Committee shall ensure that Stakeholders are able to assess whether the remuneration of directors and senior management commensurate with their individual performance, taking into consideration the company's performance.

2. The Committee shall ensure that MCGG Practice 7.1 is followed by a detailed disclosure in the Company's annual report on named basis for the remuneration of individual directors which shall consist of fees, salary, bonus, benefits in-kind and other emoluments.

Annual General Meeting

The Committee Chairman shall attend the annual general meeting including any extraordinary general meetings to answer any shareholders' questions on the committee's activities, in particular on areas pertaining to proposed resolutions on director's fee for shareholders consideration.
