



## **REMUNERATION COMMITTEE TERMS OF REFERENCE**

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The terms of reference of the Remuneration Committee are as follows:

### **1. OBJECTIVES**

The Remuneration Committee is responsible for implementing the Company's remuneration policies and procedures. It ensures that the compensation structure for Directors and Senior Management is well designed to attract and retain the talent necessary for driving the company's long-term success, thereby promoting business stability and growth.

### **2. COMPOSITION**

- (a) The Committee shall be appointed by the Board of Directors ("the Board") from amongst the Directors of the Company consisting majority of non-executive Directors. It shall consist of not less than three (3) members. No alternate director can be a member of the Remuneration Committee.
- (b) The tenure of independent directors shall be nine (9) years. After serving for nine (9) years, an independent director may continue to serve on the Board as a non-independent director with annual shareholders' approval through a two-tier voting process.
- (c) If the membership of the Remuneration Committee for any reason falls below three (3) members, the Board shall, within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.

### **3. CHAIRMAN**

The members of the Committee shall elect a Chairman from among their members. In the absence of the Chairman of the Remuneration Committee, the remaining members present shall elect one of their members as Chairman of the meeting.

### **4. SECRETARY**

The Secretary to the Remuneration Committee shall be the Company Secretary.

### **5. QUORUM, MEETINGS AND MINUTES**

- (a) Two (2) members shall form a quorum for meetings.



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- (b) The Remuneration Committee shall meet at least once a year or more as the Chairman of the Committee deemed necessary.
- (c) Notice of the meeting of the Committee may be given by telephone or facsimile and the contemporaneous linking together by telephone or such other electronic communication of a number of the members being not less than the quorum shall be deemed to constitute a meeting of the Committee wherever in the world they are, as long as:
  - (i) the quorum of members is met;
  - (ii) at the commencement of the meeting each member acknowledges the presence thereof to all the other members taking part and such participation shall be deemed to be presence in person;
  - (iii) each of the member taking part is able to hear each of them subject as hereinafter mentioned throughout the meeting;
  - (iv) the members present at the commencement of the meeting do not leave the meeting by disconnecting the telephone, but the meeting shall be deemed to have been conducted validly notwithstanding that a member's telephone is accidentally disconnected during the meeting and the proceedings thereof shall be deemed to be as valid as if the telephone had not been disconnected;
  - (v) all information and documents are made equally available to all participants prior to or at/during the meeting; and
  - (vi) minutes of the proceedings shall be sufficient evidence thereof and of the observance of all necessary formalities if certified by both the Chairman and the Secretary of the Committee.
- (d) Notice of meeting and board papers shall be given to all members of the Committee at least fourteen (14) working days and five (5) working days respectively before the date of meeting.

The Secretary shall discuss with the Senior Management and Chief Executive Officer/Group Managing Director on the agenda item. The final agenda for the meeting will be approved by the Committee's Chairman or in his absence, by any one of the Committee's members. The Secretary will inform/remind the relevant head of department to submit their report/materials on presentation to him/her at least six (6) working days before the date of meeting. In the case where the subject matter/agenda item is sensitive or otherwise confidential or in a state of flux, the report/materials/paper shall be directly circulated/presented at the meeting.



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Minutes of each meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and shall be accepted as prima facie evidence without further proof of the facts stated therein. Such minutes shall be kept by the Secretary.

- (e) Any such resolution may consist of several documents in like form, each signed by one (1) or more members. Any such resolution may be accepted as sufficiently signed by a member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message purporting to include a signature of the member, followed by the original copy to be delivered to the Secretary of the Committee as soon as possible.
- (f) Question arising shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote provided that where two (2) members form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue, shall not have a casting vote.

### 6. FUNCTIONS AND DUTIES

- (a) To recommend to the Board the remuneration framework and remuneration packages of Directors and Senior Management. The remuneration packages are determined by considering individual responsibilities, skills, experience, qualification, competence and performance, while having regard to the Company's overall performance and prevailing market statistics. The remuneration shall be aligned with the Company's business strategy and long-term objective, ensuring it is fair and competitive enough to attract and retain talent, considering the following:
  - (i) fees payable to non-executive directors shall be by a fixed sum, and not by a commission or percentage of profits or turnover;
  - (ii) any fees paid by the Company to the alternate director shall be deducted from Directors' remuneration; and
  - (iii) remuneration and incentives for Independent Directors shall not conflict with their obligation in bringing objectivity an independent judgement on matters discussed.
- (b) To consider the appointment of advisers or consultants as it deems necessary to fulfill its functions.



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- (c) To review and recommend matters relation to the remuneration of the Board and Senior Management.

### **7. AUTHORITY**

The Remuneration Committee has no authority to act on behalf of the Board but shall have authority to examine all the issues at hand and to report back to the Board with recommendations. It shall be governed by its terms of reference duly approved by the Board and which may be amended from time to time by resolution.

### **8. REPORTING PROCEDURE**

- (a) The remuneration packages of Directors shall be the ultimate responsibility of the full Board after considering the recommendation of the Committee.
- (b) Directors must not participate in discussion and decision making on their own remuneration packages.
- (c) The fees of Directors, and any benefits payable to Directors shall be subject to annual shareholders' approval at annual general meeting. Directors who are shareholders and controlling shareholders with a nominee or connected director on the Board shall also abstain from voting on the resolution to approve Directors' fees at the general meeting.

### **9. REVIEW OF REMUNERATION COMMITTEE**

The Board shall review the effectiveness of Remuneration Committee and its members' term of office annually.