



**PIMPINAN EHSAN BERHAD**  
**(201601021838) (1192777-W)**  
(Incorporated in Malaysia)

## **TERMS OF REFERENCE - REMUNERATION COMMITTEE**

### **1. Objective**

The primary objective of the Remuneration Committee is to assist the Board of Directors in their responsibilities in assessing the remuneration packages of the executive directors.

### **2. Duties and Responsibilities**

The duties and responsibilities of the Remuneration Committee are as follows: -

- (a) To review and assess the remuneration packages of the executive directors in all forms, with or without other independent professional advice or other outside advice to reflect the Board's responsibilities, expertise and complexity of the Company's activities;
- (b) To ensure the levels of remuneration be sufficiently attractive and be able to retain directors needed to run the Company successfully;
- (c) To structure remuneration policies and practices to align with the business strategy and long-term objectives of the Company and to link rewards to individual performance and to assess the needs of the Company for talent at Board level at a particular time;
- (d) To review and recommend the remuneration of Non-Executive Directors, Executive Directors and Senior Management to the Board. The Remuneration Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of such individual, remuneration levels within the Company and desirability of performance-based remuneration packages;
- (e) To review and approve remuneration packages of related employees (who are not Directors) to ensure that they are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities;

- i. To act in line with the directions of the Board of Directors;
  - ii. To consider and examine such other matters as the Remuneration Committee considers appropriate.
- (f) To review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and

### **3. Composition**

The Remuneration Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members. All members shall be Non-Executive Directors of the Company and majority must be independent Directors.

The term of office and performance of the Remuneration Committee and each of its members shall be reviewed by the Nominating Committee annually to determine whether the Remuneration Committee and its members have carried out their duties in accordance with its Terms of Reference.

If the members of the Remuneration Committee for any reason be reduced to below three (3), the Board of Directors shall within three (3) months of the event, appoint such number of new members as may be required to make up the minimum of three (3) members.

### **4. Chair of Remuneration Committee**

The Chair of the Remuneration Committee shall be elected from amongst the Remuneration Committee members. The Chair of the Committee shall be approved by the Board of Directors.

### **5. Secretary**

The Secretary of the Remuneration Committee shall be the Company Secretary. The Secretary is responsible to prepare the minutes of the Remuneration Committee meetings and circulate the minutes of the Remuneration Committee meetings promptly to all members of the Remuneration Committee and table the same to the Board for notation. The minutes of the Remuneration Committee meetings shall be kept at the registered office of the Company and shall be open for inspection by the Board.

### **6. Meetings**

The Remuneration Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once (1) a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

Two (2) members present of which a majority must be Independent Non-Executive Directors shall form a quorum. .

The members of Remuneration Committee may participate in a meeting from separate locations by means of conference telephone or other communication equipment which allows those participating to hear each other, and shall be entitled to vote or be counted in the quorum accordingly.

Any questions arising at any meeting of the Remuneration Committee shall be decided by a majority of votes. In case of an equality of votes, the votes of the Independent Non-Executive Directors shall prevail.

A resolution in writing signed or approved by letter, telefax or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Remuneration Committee's Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one or more directors.

## **8. Revision and Approval**

This Terms of Reference will be reviewed and updated annually to ensure it remains consistent with the Remuneration Committee's objectives and responsibilities.

This Terms of Reference is approved by Board of Directors on 28 April 2021.