



# **MENANG CORPORATION (M) BERHAD**

196401000240 (5383-K)

## **TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

### **1. Objective**

To assess and make recommendation to the Board of Directors (the “**Board**”) on the policies for remuneration of the members of the Board and the Key Senior Management of the Company and its subsidiary companies (the “**Group**”).

### **2. Composition**

- a) The members of the Remuneration Committee shall be appointed by the Board from amongst its members and shall comprise of at least three (3) members, exclusively of Non-Executive Directors, a majority of whom must be Independent Directors. Each member shall devote sufficient time to carry out the responsibilities and duties as a member of the Committee.
- b) In the event of any vacancy in the Remuneration Committee resulting in the non-compliance of the above, the Company must fill the vacancy within three (3) months.
- c) The Chairman of the Remuneration Committee shall be elected from amongst the Remuneration Committee members and shall be responsible for the conduct of the meetings.

### **3. Functions and Responsibilities**

The principal responsibilities of the Committee with regard to the remuneration functions are as follows: -

- a) Make recommendations to the Board on the Company’s policy and structure for all directors and senior management’s remuneration and on the establishment of a transparent procedure for developing remuneration policy.
- b) Review and approve the senior management’s remuneration proposals with reference to the Board’s corporate goals and objectives.
- c) To determine the remuneration package of individual executive directors and senior management, (including salaries, bonuses, benefit in kind and the terms on which they participate in any share or other incentive scheme and any provident fund or other retirement benefit scheme) taking into consideration salaries paid by comparable companies, time commitment and responsibilities.



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### **3. Functions and Responsibilities (continued)**

- d) Review and recommend to the Board on the remuneration of the Non-Executive Directors and thereafter to be approved at a general meeting.
- e) To act in line with the directions of the Board.
- f) To consider and examine such other matters as the Remuneration Committee considers appropriate.

### **4. Committee Meeting**

- a) The Remuneration Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.
- b) The Committee shall ensure that adequate time is allocated for the Committee meeting to ensure due attention is accorded on the remuneration matters discussed.
- c) The Chairman of the Committee or the Secretary, on the requisition of a member shall at any time summon a meeting of the Committee by giving reasonable notice.
- d) The Chairman of the Committee shall chair the Committee meetings and, in his absence, the members present shall elect one (1) of the members to be Chairman of the meeting.
- e) The Committee may invite other members of the management or professional advisors to attend the Committee meetings where the Committee considers their presence necessary. The Committee may also engage independent professional advisors or service providers as it deems appropriate in order to carry out its functions and responsibilities.
- f) The quorum for the Committee meeting shall be at least two (2) members present at the meeting, one of whom must be an Independent Director.
- g) The Company Secretary of the Company acts as the Secretary of the Committee.
- h) Any decision to be taken shall be decided by a majority of votes and in the case of equality, the Chairman of the meeting shall have a casting vote.
- i) A resolution in writing signed or approved by letter, telex, 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 "Members' 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.
- j) All reports, recommendations and findings of the Committee shall be submitted to the Board for approval.



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### **5. Revision of the Terms of Reference**

This Terms of Reference will be reviewed at least once a year to ensure it remains consistent with the Remuneration Committee's objectives and responsibilities.

Any revision or amendment to this Terms of Reference, as proposed by the Remuneration Committee or any third party, shall be presented to the Board for approval. Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.