

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. CONSTITUTION

The Remuneration Committee ("**RC**") is established as a committee of the Board of Directors ("**the Board**") of Benalec Holdings Berhad ("**Company**" or "**Benalec**") and its subsidiaries (collectively referred to as "**Benalec Group**"), who authorises the Terms of Reference ("**TOR**") of the RC.

2. OBJECTIVES

The principal objectives of the RC are as follows:-

- a. to achieve a balance between setting the level and structure of the remuneration package of Executive Directors ("**ED**") so as to be able to attract and retain the best against its interest in not paying excessive remuneration.
- b. to recommend to the Board, the compensation and benefits including bonuses and severance payments of the following officers to ensure adequate, fair and competitive compensation and benefits, thereby enabling the Company and Benalec Group to attract, retain and motive high calibre officers such as Executive Director ("**ED**"), Non-ED, Group Managing Director ("**Group MD**") and Senior Management who hold key pivotal positions of the Company ("collectively referred to as "**Key Personnel**").

The compensation and benefits shall be aligned with the business strategy and long-term objectives of the Group, and shall reflect the calibre, competency, experience, skills, expertise, responsibilities and commitment of the Key Personnel as well as the complexity of Benalec Group's activities. The components of the compensation and benefits of the Key Personnel shall be structures so as to link rewards to corporate and individual performance.

3. COMPOSITION

- 3.1 The RC members shall be appointed by the Board from amongst the Non-ED and shall consist of not less than three (3) members, all of whom shall be Non-ED with the majority being Independent Directors ("**ID**").
- 3.2 In any event the number of NC falls below 3, the vacancy shall be filled as soon as possible, but shall not be later than 3 months of that vacancy.
- 3.3 The Board may revoke the appointment of a member and/or vary the term of appointment of a member at any time as it deems fit.

4. CHAIRMAN

The Board of Directors or members of the RC must elect a Chairman among the Committee members who is an Independent Non-Executive Director ("**INED**"). In the absence of the Chairman of the RC in a Meeting, the members present shall elect one of their numbers to be Chairman of the Meeting.

5. AUTHORITY

- 5.1 The RC may consult the Chairman and/or Chief Executive Office (“**CEO**”) of the Company regarding proposal relating the remuneration of EDs. The Committee may consult other Non-ED in its evaluation of the Managing Director/CEO and the EDs. The RC may request other Directors and Senior Management to participate in committee meeting, as necessary to carry out the RC’s responsibilities.
- 5.2 The RC is authorised by the Board to have access to such information and advice both from within Benalec Group and externally, in order to perform its duties.
- 5.3 The RC is authorised by the Board to engage/obtain, at the Company’s expense, outside legal or other professional and/or independent advice on matters within its TOR and/or to carry out its duties.
- 5.4 The EDs and Non-EDs shall abstain from the deliberations and voting in respect of their own remuneration.

6. SCOPE AND FUNCTIONS

The scope and function of the RC shall include the following:-

- 6.1 To review the EDs goals and objective and to assess his/her performance against these objectives as well as contribution to the corporate strategy.
- 6.2 To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets.
- 6.3 In respect of Non-EDs, to ensure via the Board as a whole that the level of remuneration payable reflects the experiences, level of responsibilities and time commitment undertaken by the Non-EDs concerned.
- 6.4 In respect of Key Personnel, to ensure that the remuneration package commensurate with individual’s performance, skills and experience, level of responsibilities as well as the market benchmarks.
- 6.5 To ensure that the remuneration packages are determined on the basis of the Directors and Key Personnel’s merit, qualification and competence, having regard to the Company’s operating results, individual performance and comparable market statistics.
- 6.6 To review the fees and benefits payable to the Directors of the Company including any compensation for loss of employment of Director or former Director and recommend to the Board of Directors and thereafter to be approved by the shareholders at the general meeting.
- 6.7 To consider other matters as referred to the RC by the Board.

7. SECRETARY

The Company Secretary of the Company shall be the Secretary of the RC or his/her nominee shall be the Secretary of the RC.

8. MEETINGS

8.1 Frequency and calling

The RC shall meet at least once (1) a year. More meetings may be convened when the need arises. The Chairman is required to call for a meeting of the RC, if requested to do so by any RC members or the Board.

8.2 Notice

The notice period convening the meeting of the RC shall be at least seven (7) clear days, which may be waived with the consent of the majority of the RC members.

8.3 Quorum

A minimum of two (2) members, of which one (1) shall be an ID.

8.4 Recommendation to the Board

Recommendation to the Board during RC meetings must be supported by a majority of the RC members, who are not interested in the transaction. In the case of an equality of votes, the Chairman of the committee meeting shall have a second or casting vote.

8.5 Participation in meetings by conferencing

All or any members of the RC may participate in a meeting of the RC by means of a telephone conference, video conference or any communication technology, which allows all members of the RC participating in the meeting to communicate simultaneously with each other. A member of the RC so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

8.6 Minutes

Minutes are to be kept at the registered office and distributed to each RC and members of the Board. The minutes of the RC meeting shall be signed by the Chairman of the meeting presided or by the Chairman of the next succeeding meeting.

9. CIRCULAR RESOLUTIONS

A resolution in writing signed or approved by letter, facsimile, electronic mail or other forms of electronic communication by the majority of RC members, shall be valid and effectual as if it had been passed at a meeting of the RC dully called and constituted. Such resolutions may consist of several documents in like form, each signed by one or more members.

10. REVIEW OF THE TERMS OF REFERENCE

The RC shall recommend any change to its TOR in such manner as the RC deems appropriate to the Board for approval. The TOR shall be assessed, reviewed and updated where necessary.

The latest copy of the TOR of the RC shall be made available on the Company's website.