

<b>EPB GROUP BHD</b> Registration No.: 202201007128 (1452825-U)	DOC. NO.	EPBG-POL-MO-04
	REV. NO.	0
<b>DOCUMENT: REMUNERATION COMMITTEE TOR</b>	EFF. DATE	25 OCT 2022

## TERMS OF REFERENCES

### 1.0 COMPOSITION

Remuneration Committee (“**Committee**”) shall be appointed by the Board of Directors of the Company (“**Board**”) amongst the Directors of the Company which fulfils the following requirements:

- a) the Committee must be composed of not fewer than three (3) members;
- b) all the Committee members must be non-executive directors with a majority of them being independent directors; and
- c) the Chairman of the Committee shall be appointed by the Board.

No alternate director should be appointed as a member of the Committee.

In the event of any vacancy in the Committee, the Board of Directors shall fill the vacancy within three (3) months of such vacancy.

The terms of office and performance of the Committee and each of its members must be reviewed by the Board annually to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

### 2.0 MEETINGS

#### 2.1 Frequency

Meetings shall be held not less than one (1) time a year, with additional meetings convened as and when necessary.

In the interval between Committee meetings, for exceptional matters requiring urgent decisions, Committee approvals may be sought via circular resolutions to be signed by all members if the Committee, and such resolutions shall be accompanied with sufficient information for an informed decision.

#### 2.2 Quorum

Two (2) members shall form a quorum for a meeting of the Committee provided that the majority of members present must be Independent Directors. In the absence of the Chairman of the Committee, the remaining members present shall elect one of their members as Chairman of the meeting.

Any member of the Committee may participate in any meeting of the Committee via telephone conferencing, video conferencing or by means of any communication equipment which allows all persons participating in the meeting to hear each other. A person 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.

#### 2.3 Secretary

The Company Secretary shall be the Secretary of the Committee or in his / her absence, another person authorized by the Chairman of the Committee. The Secretary shall be responsible for issuing the agenda with the concurrence of the Chairman and circulating it, accompanying it with explanatory statements and other relevant documents to Committee members prior to each meeting. The Company Secretary is also responsible for keeping the minutes of meetings of the Committee, circulating them to Committee members and to the other members of the Board and for following up on outstanding matters. The Secretary shall

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keep the minutes of meetings properly filed and shall produce the minutes of meetings for inspection when necessary.

#### **2.4 Reporting Procedure**

The minutes of each meeting shall be circulated by the Company Secretary to the Committee members and to all members of the Board.

#### **2.5 Attendance**

Other Directors and employees, including the Head of Human Resources, may be invited by the Committee to attend any particular meeting of the Committee.

### **3.0 RIGHTS AND AUTHORITY**

The Committee is authorized by the Board of Directors to carry out its duties and responsibilities within its terms of reference.

### **4.0 FUNCTIONS, DUTIES AND RESPONSIBILITIES**

The functions, duties and responsibilities of the Committee are as follows:

#### **4.1 Remuneration**

- 1) The Remuneration Committee may establish and recommend:
  - a) the remuneration structure and policy for the Managing Director and Executive Director(s);
  - b) any benefit, pension or incentive scheme entitlement; and
  - c) other bonuses, fees and expenses; any compensation payable on the termination of their service contract by the Company and to review for changes to the policy, as necessary.
- 2) The Managing Director and Executive Director(s) should play no part in decisions involving their own remuneration, but may establish and recommend;
  - a) maintain a strong link between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration forming a significant proportion of the total remuneration package of the Managing Director and the Executive Director(s);
  - b) review and recommend the proposed remuneration framework and packages of Non-Executive Directors to the Board and for approval by the shareholders at Annual General Meeting as relevant;
  - c) annually review and recommend the bonus payment rate and salary increment range to all employees of the Group based on the Group's policy;
  - d) review and recommend to the Board regarding any proposed new employees' share option scheme to be given to the Directors and employees and / or amendments to the existing scheme;
  - e) assist the Board in discharging their responsibilities relating to, amongst others, compensation strategy, management development and other compensation arrangement;

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- f) ensure corporate accountability and governance in respect of the Board remuneration and compensation function;
- g) consider and examine such other matters as the Committee considers appropriate; and
- h) review the remuneration policies, framework and procedures for Directors, Senior Management and employees every (2) two years.

## **5.0 STRUCTURE AND PROCEDURES**

- 1) The final decision as to who shall be appointed to the Board shall be the responsibility of the Board after considering the recommendations made by the Committee.
- 2) The Managing Director and Executive Director(s) should play no part in decisions involving their own remuneration.
- 3) The determination of remuneration packages of Non-Executive Directors, including the Non-Executive Chairman shall be a matter to be considered by the Board as a whole and thereafter to be put forth to the shareholders for approval.