

REMUNERATION COMMITTEE

Membership

Chairman: Nurulhuda Binti Abd Kadir
(Independent Non-Executive Director)

Members: Tan Ah Lai
(Independent Non-Executive Director)
Ang Nyee Nyee
(Independent Non-Executive Director)

TERMS OF REFERENCE

Objectives

The Remuneration Committee is established as a committee of the Guan Chong Berhad Board of Directors (“the Board”). The objective of the Remuneration Committee is to recommend to the Board of Directors (“the Board”) the remuneration framework for Directors.

Composition

The Remuneration Committee shall be appointed by the Board, composed exclusively of Non-Executive Directors, a majority of whom are independent. The Committee shall comprise of no fewer than three (3) Board members.

The members of the Committee shall elect a Chairman from among their number. The Chairman of the Remuneration Committee should not be the Chairman of the Board.

The appointment of a Remuneration Committee member shall automatically be terminated in case of dismissal or resignation from his/her membership of the Board. Members of the Remuneration Committee may relinquish their membership in the Committee with prior written notice to the Board.

In the event that a member of the Committee vacates office resulting in the total number of members being reduced to below three (3), the Board shall, within 3 months of that event, appoint a new member to make up the minimum number of three (3).

Meetings

The Remuneration Committee shall meet at least once a year or more frequently as deemed necessary for the Committee to fulfil its duties. The Chairman may call for additional

meetings at any time at the Chairman's discretion or if a request is made by the Committee member.

Notice of the meeting, agenda and relevant supporting information shall be distributed to the Committee members and those who are required to attend the meeting at least five (5) business days prior to the scheduled meeting.

At all meetings of the Committee, the Chairman of the Committee shall preside. If the Chairman of the Committee is absent, the members present at the meeting shall elect a Chairman for the meeting.

The Chairman shall be responsible for calling meetings, establishing agenda of the meetings and supervising the conduct thereof. The Chairman may appoint a secretary responsible for keeping the minutes of the meetings and circulating them to the members of the Remuneration Committee and other members of the Board after the meeting. The Chairman shall report the findings and recommendations to the Board on any matters that need to be brought to the Board's attention and approval during the Board meeting.

A quorum shall consist of a majority of the members of the Committee. No business shall be transacted at any meeting unless a quorum is present.

The Chairman shall present at the annual Shareholders' Meeting to answer any shareholder's questions on the Committee's activities.

Authority

The Remuneration Committee is authorised to draw from outside advice as necessary in recommending to the Board the remuneration of the Executive Directors in all its forms. Executive Directors should play no part in decisions on their own remuneration. Executive Directors' remuneration are linked to their performance.

The determination of remuneration package for Non- Executive Directors should be a matter for the Board as whole. The level of remuneration should reflect the experience and level of responsibilities undertaken by the particular non-executive concerned. The individuals concerned should abstain from discussion of their own remuneration.

Duties and Responsibilities

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

- To review and recommend to the Board the remuneration packages for Executive Directors based on the outcome of performance review;

- To review and recommend to the Board the remuneration packages for key senior management based on the outcome of performance review;
- To determine the remuneration packages needed to attract, retain and motivate Executive Directors of the quality required to manage the business of the Group successfully;
- To ensure the remuneration and incentives for independent directors does not conflict with their obligation in bringing objectivity and independent judgment on matters discussed;
- To review the Group's compensation policy for the Executive Directors and ensure alignment of compensation to corporate performance, and compensation offered in line with market practice; and
- To approve the annual salary increment of the Executive Directors in respect of each financial year

Frequency of Review

The Remuneration Committee shall assess, review and update the Terms of Reference periodically. The Remuneration Committee may recommend amendments for the Board's approval when there are changes to the regulatory requirements or changes to the direction or strategies of the Group that may affect the Remuneration Committee's role.