

**SINMAH CAPITAL BERHAD**  
[Registration No. 199401015973 (301653-V)]

**TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

**1. Objectives**

The principal objective of the Remuneration Committee is to assist the Board of Directors in their responsibilities in developing and establishing a formal and transparent competitive remuneration policy and packages for the Board. It is also assessing the remuneration packages of the executive directors and senior management.

The Board decides on the remuneration packages after considering the recommendations of the Remuneration Committee. The individual directors will abstain from deliberation their own remuneration.

**2. Composition of members**

The Board of Directors shall elect the Remuneration Committee members from amongst themselves and shall consist of not less than three (3) members, **composed exclusively of non-executive directors and a majority of Independent Directors.**

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 from the date of that event.

**3.. Chairman**

The Chairman of the Remuneration Committee shall be elected from amongst the Remuneration Committee members. The Chairman of the Committee shall be approved by the Board of Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

**4.. Secretary**

The Secretary of the Remuneration Committee shall be the Company Secretary of the Company.

## **5. Meetings**

- 5.1 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.
- 5.2 The Remuneration Committee may participate in a meeting of the Remuneration Committee by means of conference telephone, conference videophone or any similar or other communication equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- 5.3 The Secretary shall on the requisition of the members of the Remuneration Committee summon a meeting of the Remuneration Committee. The Company Secretary, in conjunction with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least seven (7) days prior to each meeting to the members of the Remuneration Committee.
- 5.4 A resolution in writing, signed or approved by majority of the members of the Remuneration Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more committee members. Such resolution may be approved by letter, electronic mail or other electronic communication.
- 5.5 The Executive Director may be invited to attend meetings to discuss the performance of Senior Management and make proposals as necessary.

## **6. Quorum**

A quorum shall consist of not less than two (2) members.

## **7. Authority**

The Remuneration Committee shall, in accordance with a formal and transparent procedure or process or policy on executive directors' and Senior Management's remuneration packages to be determined and established by the Board of Directors and at the expense of the Company:

- (a) shall review, assess and recommend to the Board of Directors the remuneration packages of the executive directors and Senior Management in all forms, with other independent professional advice or outside advice as necessary.

- (b) shall be entitled to the services of a company secretary who must ensure that all decisions made on the remuneration packages of the executive directors and Senior Management be properly recorded and minuted in the minutes book.

## **8. Duties and Responsibilities**

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

- To recommend to the Board of Directors the remuneration policy for Executive Directors and Senior Management with the objective for attracting, retaining and motivating directors and senior management of the quality required.
- To review and recommend to the Board of Directors in relation to the remuneration packages of the Executive Directors or Senior Management in all forms, with or without other independent professional advice or other outside advice.
- To review annually and recommend the Board of Directors the overall remuneration policy for the Directors and Senior Management to ensure that the rewards commensurate with their contributions to the Company's growth and profitability; and that the remuneration policy supports the Company's long-term objectives and shareholder value and is consistent with the Company's culture and strategy.
- To implement the policies and procedures on remuneration duly approved by the Board including reviewing annually the performance of the Executive Directors and Senior Management and recommending to the Board specific adjustments in remuneration and /or reward payments, if any, reflecting their contributions for the year; and which are competitive and consistent with the Company's long-term objectives, culture and strategy.
- In respect of Executive Directors, to ensure that the remuneration packages commensurate with skills and responsibility expected of the directors concerned and is sufficient to attract and retain Directors needed to run the Company successfully.
- In respect of Non-Executive Directors, to ensure via the Board as a whole that the remuneration payable reflects the experience, time demanded of the directors to discharge their duties and responsibilities undertaken.
- In respect of Senior Management, to ensure that the remuneration packages commensurate with the individual's performance, skills, qualification, competence and experience, level of responsibility as well as the market benchmarks.

- To structure the component parts of remuneration so as to link rewards to corporate and individual performance and to assess the needs of the Company for talent at Board level at a particular time.
- To act in line with the directions of the Board of Directors.
- To consider and examine such other matters as the Remuneration Committee considers appropriate.
- To engage external professional advisors to assist and/or advise the Committee, on remuneration matters, where necessary.
- To review the fees of the Directors and any benefits payable to the Directors including any compensation for loss of employment of director or former director before presenting to the shareholders for approval.
- To provide clarification to shareholders during general meetings on matters pertaining to remuneration of directors and Senior Management as well as the overall remuneration framework of the Company.

## **9. Reporting responsibility**

- 9.1 The Chairman of the Remuneration Committee shall report to the Board on its proceedings after each meeting on all matters within the scope of its duties and responsibilities.
- 9.2 The Remuneration Committee shall make whatever recommendations to the Board it deems appropriate, on any area within its terms of reference and/or where action or improvement is needed.
- 9.3 The Remuneration Committee shall report to the Board on its activities, based on these terms of reference.

## **10. Revision and Updates**

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