

Malpac Holdings Berhad

Terms of Reference – Remuneration Committee

The Terms of Reference are as follows:-

1. Objective

The objective of the Remuneration Committee is to set the framework of the Group's remuneration policy, and make remuneration recommendation of the Directors and Senior Management to the Board of Directors for approval;

2. Membership and Composition

2.1 The Remuneration Committee shall be appointed by the Board and shall:-

- i) Comprise not less than three (3) members;
- ii) Comprise solely of non-executive directors;
- iii) A majority of them must be independent directors; and
- iv) In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.

3. Duties and Responsibilities

3.1 To review and develop the Group's remuneration policies and to approve remuneration packages for Directors and Senior Management:-

3.1.1 Executive Directors ("ED")

- i) The remuneration package of the ED consists of fixed base salary and performance-linked variable component. The performance-linked variable component of the ED shall be tied to the respective ED's commitment, performance and contribution towards making positive impactful improvements to the Group's financial positions as a whole;
- ii) ED are entitled to Directors' fee but not entitled to meeting allowance.

3.1.2 Non-Executive Director ("NED")

- i) The remuneration package of NED should reflect the contribution and level of responsibilities undertaken by the NED.
- ii) NED are entitled to Director fee/emolument as ordinary remuneration and shall be paid in a fixed sum approved by the shareholders at AGM. They will also be paid a sum based on their responsibilities in Board Committees and for their attendance at meetings.
- iii) NED shall also be entitled for other reimbursable/claimable benefits-in-kind as may be required from time to time for the purposes of carrying out their duties as approved by the shareholders at AGM.

3.1.3. Senior Management

The Remuneration package is reflective of Senior Management's experience, workload, level of responsibilities and individual performance.

- 3.2 To review and approve the content of the Directors' Remuneration Report in the annual report and accounts for approval by the Board;
- 3.3 To recommend and review the NED remuneration package to be approved by the shareholders at AGM in the annual report and accounts;
- 3.4 To perform annual review and recommend to the Board on the remuneration package for ED and Senior Management based on the respective service contracts, market positioning of the current remuneration package and the respective individual performances; and
- 3.5 Recommend remuneration package for new Director.

4. Authority

- 4.1. Seek comparative information in comparable organizations within of the same or similar industry.

5. Meetings and Quorum

- 5.1. The Remuneration Committee shall meet at least once (1) a year or with such frequency and at such times as it may require;

- 5.2. The quorum for meetings of the Committee shall be two (2) members;
- 5.3. Other Board members, relevant management personnel may be invited to attend the meeting;
- 5.4. Remuneration Committee members should abstain from discussion of their own remuneration packages;
- 5.5. Minutes of meeting shall be taken and documented;
- 5.6. The Remuneration Committee is allowed to carry out the resolution by way of circulation; and
- 5.7. The Remuneration Committee should report to the Board after each meeting.

6. Secretary

The Group's Company Secretary of the Company shall be the Secretary of the Remuneration Committee.

Chairman : Muhayuddin Bin Musa
Members : Johari Low Bin Abdullah
 : Gan Teck Chong @ Gan Kwan Chong

Terms of Reference have been reviewed and adopted by the Remuneration Committee on
23 May 2018