

BERTAM ALLIANCE BERHAD
(Registration No. 199401019851 (305530-A))
(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

(Revised and adopted on 17 April 2019)

1. OBJECTIVE

The primary objective of the Remuneration Committee (“Committee”) to assist the Board of Directors to establish a formal and transparent procedure for the development of a remuneration policy and remuneration structure including review of remuneration package for Executive Directors, Non-Executive Directors, Principal Officers and Senior Management of the Group.

2. COMPOSITION

The members of the Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of at least three (3) members, composed wholly or majority of the members consisting of Independent Non-Executive Directors.

The Chairman of the Committee shall be elected from amongst the Committee members. The Board of Directors of the Company shall approve the Chairman of the Committee.

No alternate director shall be appointed as a member of the Committee. The term of office and performance of the Committee and each of its members shall be reviewed by the Nomination Committee annually to determine whether the members have carried out their duties in accordance with their terms of reference.

If a member of the Committee resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

3. AUTHORITY

- a) The Committee shall have the authority to deliberate, and approve on matters within its primary duties and responsibilities as set out in this Terms of Reference; and
- b) Unless otherwise provided by or subject to any applicable laws or legislative requirements, the Committee shall have the permission to obtain resources need to fulfil its duties and responsibilities as set out in this Terms of Reference based on an agreed-upon procedure and at the expense of the Group, such as:

- I, full and unrestricted access to information, records, properties and employees of the Group;
- II, the advice and support of the Company Secretary and senior management; and
- III, to obtain professional and independent advice from external advisors with relevant knowledge and experience, as and when necessary for the performance of its duties pursuant to Paragraph 15.04 of MAIN Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

4. DUTIES AND RESPONSIBILITIES

The Committee shall be responsible for the following duties and responsibilities:

- a) The Committee shall review and recommend to the Board the framework of remuneration of the Executive Directors, Principal Officers and Senior Management (if any), taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar jobs in selected group of comparable companies.
- b) The Committee shall review and determine the annual salary increment, performance bonus, and short term/long term incentives (including share grant and bonus) for Executive Directors, Principal Officers and/or Senior Management (if any) depending on various performance measurements of the Group.
- c) The Committee shall review and determine the other benefits in kind including but not limited to salary, bonuses, allowances, other emoluments for the Executive Directors, Principal Officers and/or Senior Management (if any).
- d) The Committee shall review and make recommendations to the Board in respect of fees and benefits payable to the Non-Executive Directors; fees and any non-contractual benefits payable to the Executive Directors (if any), and any compensation for loss of employment of an Executive Director or former Director of the Group (if any) shall be approved at the General Meeting pursuant to Section 230(1) of the Companies Act, 2016 and Paragraph 7.24 of the Listing Requirements.
- e) The Committee shall review the Group’s compensation policy and ensure alignment of compensation to corporate performance, and compensation offered in line with market practice.
- f) The Committee may recommend the engagement of external professional advisors to assist and/or advise the Committee and the Board, on remuneration matters, where necessary.
- g) The Committee shall provide a report summarising its activities for the year in compliance with the Malaysia Corporate Governance Code, Listing Requirements and any relevant regulations.

5. MEETINGS OF THE COMMITTEE

The Committee shall meet at least once a year and as and when required.

In the event the elected Chairman is not able to attend a meeting, a member of the Committee shall be nominated as Chairman for the meeting.

Subject to the notice and quorum requirements as provided in the Terms of Reference, meeting of the Committee may be held and conducted through the telephone or 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 and be counted in a quorum accordingly.

6. QUORUM

The quorum for a meeting of the Committee shall consist of two (2) members.

7. NOTICE OF MEETINGS

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the committee, any other person required to attend and all other non-executive directors, no later than seven (7) days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

8. SECRETARY AND MINUTES

The Company Secretary or his nominee or such other persons authorised by the Board shall act as the Secretary of the Committee. The Company Secretary shall record, prepare and circulate the minutes of the meetings of the Committee and ensure that the minutes are properly kept and produced for inspection if required.

9. CIRCULAR RESOLUTION

A resolution in writing, signed or approved by letter, telegram, telex, telefax or electronic means by a majority of the Committee members present in Malaysia for the time being entitled to receive notice of a meeting of the Committee, shall be as valid and effectual as if it had 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 of the members of the Committee.

10. REVISION AND UPDATES

Where necessary, this Terms of Reference will be reviewed and updated to ensure it remains consistent with the Committee's objectives and responsibilities.

END.