

**REMUNERATION
COMMITTEE
TERMS OF REFERENCE**



AXTERIA GROUP BERHAD

(Registration No. 199901021765 (496665-W))

(Incorporated in Malaysia)

TERMS OF REFERERCE OF REMUNERATION COMMITTEE

1. Objectives

- 1.1 The principal objective of the Remuneration Committee (“RC”) is to assist the Board of Directors (“Board”) in crafting competitive remuneration policies and packages for the Board and Senior Management personnel in the C-Suite Category (“C-Suite Management”).
- 1.2 After considering the recommendations of the RC, the Board finalises the remuneration package. Individual directors abstain from discussing their own remuneration.

2. Composition of Members

- 2.1 The RC shall be appointed by the Board from amongst its members, consist of not less than three (3) members, comprise exclusively of Non-Executive Directors, a majority of whom must be independent.
- 2.2 The Chairman of the Board shall not be appointed as a member of the RC.
- 2.3 In the event of any vacancy in the RC resulting in the number of members of the RC falling below three (3), the vacancy shall be filled as soon as possible, but shall not be later than three (3) months of that event.
- 2.4 All members of the RC, including the Chairman, shall hold office only for so long as they serve as Directors of the Company. Members of the RC may relinquish their membership in the RC with prior written notice to the Secretary.

3. Chairman

- 3.1 The Chairman of the RC shall be elected from amongst its members, who must be and Independent Non-Executive Director or Senior Independent Director approved by the Board.

4. Secretary

- 4.1 The Secretary of the RC shall be the Company Secretary of the Company.

5. Duties and Responsibilities

The duties and responsibilities of the RC shall include the following:

- 5.1 Determining and recommending to the Board the general remuneration policy for Executive Directors, Non-Executive Directors, and C-Suite Management, aiming to attract, retain and motivate the necessary calibre of Directors and C-Suite Management.
- 5.2 Reviewing and recommending to the Board the remuneration structures of the Executive Directors, Non-Executive Directors and C-Suite Management in all forms, taking into account the following criteria (where applicable):
- the roles and level of responsibilities;
 - required qualification, skills, competence, experience and time commitment;
 - complexity of the business of the Company and its subsidiaries (collectively referred to as the “Group”);
 - Group’s business strategy and long-term objectives;
 - Group’s performance in operating results as well as managing material sustainability risks and opportunities; and
 - Market statistics of other companies of a similar size in a comparable industry sector.

- 5.3 In respect of Executive Directors, to ensure that the remuneration package commensurate with skills and responsibility expected of the director concerned and is sufficient to attract and retain Directors needed to run the Company successfully.
- 5.4 In respect of Non-Executive Directors, to ensure via the Board that the remuneration payable reflects the experience, time demanded of the directors to discharge their duties and responsibilities undertaken.
- 5.5 In respect of C-Suite Management, to ensure that the remuneration package commensurate with individual's performance, skills and experience, level of responsibility as well as the market benchmarks.
- 5.6 Recommending performance bonus, annual increment, market adjustment and promotion increment budget to the Board for consideration and approval.
- 5.7 Considering and examining other matters deemed appropriate by the RC.
- 5.8 Engaging external professional advisors, when necessary, to assist and advise the RC on remuneration matters.
- 5.9 Reviewing the fees and benefits of the Non-Executive Directors before presenting to the shareholders for approval.
- 5.10 Providing clarification to shareholders during general meetings on matters related to Directors' and senior management's remuneration and the Company's overall remuneration framework.
- 5.11 Reviewing the policies and procedures of the remuneration framework as and when necessary.
- 5.12 Preparing a RC Report at the end of the financial year for inclusion in the Annual Report.
- 5.13 Acting in accordance with the Board's directives.

6. Meetings and Quorum

- 6.1 The RC shall meet at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at his/her discretion.
- 6.2 Attendance of a majority of the members shall form the quorum.
- 6.3 If the Chairman is not present within 15 minutes after the time appointed for holding the meeting, the RC members present may elect one of their number to act as chairman of such meeting.
- 6.4 The RC meetings may be conducted via telephone conferencing, video conferencing or other telecommunication facilities, which allows all members participating in the meetings. A member so participate shall be deemed to be present in person at such meeting and shall be counted in a quorum and be entitled to vote. No business shall be transacted at any meeting of the RC unless a quorum is present.
- 6.5 The Chairman of the RC shall report and update the Board on significant issues and concerns discussed in the meetings. All recommendations and findings of the RC are recommended to the Board for approval.
- 6.6 Other members of the Board and management may attend meetings upon the invitation of the RC.
- 6.7 A resolution shall be considered passed by a simple majority of vote, each member shall have one (1) vote. In case of equality of votes, the Chairman shall have a second or casting vote.
- 6.8 The RC member is required to abstain from deliberations and voting in respect of any matter, which may give rise to an actual or perceived conflict of interest situation.
- 6.9 Minutes of the RC shall be confirmed and signed by the Chairman of the meeting at which the proceedings are held or by the Chairman of the next succeeding meeting.

6.10 A resolution in writing signed or approved by all the RC members shall be as valid and effectual as if it had been passed at a meeting of the RC duly called and constituted. Any such resolution may consist of several documents in like form each signed by one or more members. Any such documents may be accepted as sufficiently signed by a member if transmitted to the Company by any technology purporting to include a signature and/or electronic or digital signature of the member.

7. Authority

7.1 The RC is empowered to seek external or other independent professional advice and invite individuals with relevant expertise to attend its meetings as deemed necessary to carry out its duties and tasks outlined in these terms of reference.

8. Review of the Terms of Reference

8.1 The RC shall recommend any changes to its terms of reference in such manner as the RC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated as and when necessary.