

# **BINA PURI HOLDINGS BHD.**

## **TERMS OF REFERENCE FOR REMUNERATION COMMITTEE**

### **1. OBJECTIVE**

The primary objective of the Remuneration Committee ("Committee") is to establish a documented, formal and transparent procedure to support and advise the Board of Directors ("Board") in fulfilling their responsibilities to shareholders in ensuring the directors, senior management (including C-level executives and Heads of department) and employees are remunerated in a manner that is market competitive, consistent with best practice and supports the interests of shareholders.

### **2. COMPOSITION**

The members of the Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise of at least three (3) members, all of whom must be Non-Executive Directors, with a majority of them being independent.

The Remuneration committee currently consist of 1 Executive Director which is the Managing Director who are able to give insight on the Group's performance in relation to the industry.

The Committee shall elect a Chairman from among its members and the elected Chairman shall be an Independent Non-Executive Director.

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 Board 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**

i) The Committee is authorised to seek any information it requires from management of the Company in order to perform its duties.

ii) The Committee is authorised to call for any appropriate person or person to be in attendance to make presentations or furnish or provide independent advice on any matters within the scope of responsibilities.

iii) The Committee is authorised by the Board to obtain, at the Company's expense, external legal or other professional advice on any matters within its terms of reference.

### **4. DUTIES AND RESPONSIBILITIES**

In fulfilling its primary objectives, the Committee shall undertake, amongst others, the following duties and responsibilities:

i) Review and recommend the entire individual remuneration packages for each of the Directors and key management of the Group;

ii) Ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration forming a significant proportion of the total remuneration package of the Directors and key management of the Group; and

iii) Review and recommend to the board of directors of the Group the remuneration structure and policy and the terms of employment or contract of employment/service, any benefit, pension or incentive scheme entitlement; other bonuses, fees and expenses; any compensation payable on the termination of the service contract for the Directors and key management.

## **5. MEETINGS OF THE COMMITTEE**

The Committee shall meet at least once a year and as frequently as may be 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. The nominated Chairman shall be an Independent Non-Executive Director.

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 not less than two (2) members, majority of members present must be Independent Non-Executive Directors.

## **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 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**

This Terms of Reference will be reviewed and updated periodically to ensure it remains consistent with the Committee's objectives and responsibilities.