



TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. Objectives

- 1.1 The Board of Directors ("Board") of Eupe Corporation Berhad ("Eupe" or the "Company") has delegated responsibilities for matters related to remuneration via the formation of Remuneration Committee ("RC" or the "Committee") effective 25 January 2018.
- 1.2 The objection of the RC are as follows:-
 - (i) To assist the Board to establish fair and transparent policies and procedures in formalising remuneration framework of Directors and Senior Management of Eupe and its subsidiaries' ("Group") (as applicable to all employees within the Group) which takes into account the demands, complexities of the business and performance of the Company as well as skills, responsibilities and experience required; and
 - (ii) To assist the Board to implement the Company's policies and procedures on the remuneration framework including reviewing and recommending matters relating to the remuneration of the directors and senior management align with the business strategy and long-term objectives of the Company in line with the Company's Remuneration Policy.

2. Composition of members

- 2.1 The RC shall be made-up of not less than three members, only consist of non-executive directors and a majority of them must be independent directors.
- 2.2 Members of the RC shall be appointed by the Board from among its members, on the recommendation of the Nomination Committee ("NC").
- 2.3 The Chairman of the RC ("Chairman") shall be elected from amongst the RC members who shall be an independent director and approved by the Board.
- 2.4 In the event of any vacancy in the RC resulting in not in line with the Paragraph 2.1 above, the vacancy must be filled within three (3) months from the date of such vacancy.



3. Meetings

3.1 Frequency

3.1.1 The RC members may meet together for the deliberation of business, adjourn and otherwise regulate their meetings, at least once a year or more frequent as deemed necessary. The Chairman may call for additional meeting(s) at any time at the RC Chairman's discretion.

3.2 Secretariat

3.2.1 The Secretary of the Company shall be secretary (the "Secretary") of the RC. The Secretary, in consultation with the Chairman, shall draw up the agenda of the meeting. The agenda, together with the relevant papers, shall be circulated at least five (5) business days or on a timeline to be set and agreed between the Chairman and the Secretary prior to each RC meeting. However, confidential papers may be distributed during the meeting.

3.3 Right to attend

3.3.1 Only members of the RC and the Secretary have the right to attend RC meetings. However, other individuals such as the Directors, Chief Financial Officer, Head of Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

3.3.2 Copies of the meeting materials will be made available to the other Directors of the Company upon request provided that there is no conflict of interest and with the agreement of the Chairman.

3.4 Quorum

3.4.1 The quorum necessary for the transaction of business shall be two (2) members. A duly convened meeting of the RC at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the RC.

3.5 Chairman

3.5.1 The Chairman shall preside at the meetings. In the absence of the Chairman, the remaining members present shall elect one (1) among themselves to chair that particular meeting.



3.6 Minutes

3.6.1 The Secretary shall minute the proceedings and resolutions of all RC meetings, including the names of those present and in attendance.

3.6.2 The Secretary shall also ensure the minutes of meeting accurately reflect deliberations and decisions of the RC, including whether any Committee member has abstained from voting or deliberating on a matter.

3.6.3 Minutes of RC meetings shall be circulated promptly or on a set of timeline to be agreed between the Chairman and the Board together with the Secretary to all members of the RC and, once agreed, made available to all members of the Board provided that there is no conflict of interest and with the agreement of the RC Chairman.

3.7 Voting

3.7.1 Each member of the RC shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the RC.

3.7.2 Questions arising at any meeting of the Committee must be determined by a majority of votes of the members present, and in the case of an equality of votes, the chairman has a second or casting vote, except where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue shall not have a casting vote.

4. Term of Office

4.1 The term of office and performance of the RC and each of its members shall be reviewed every year by the Board; to assess whether the RC and its members have carried out their duties and responsibilities in accordance with their terms of reference via RC.

4.2 A formal evaluation of the performance of all RC members should be undertaken by the NC.



5. Remuneration Committee's Written Resolution

A written resolution signed or approved by letter, telex, telefax or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Remuneration Committee's Written Resolution" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one or more RC members.

6. Authority

The RC shall have the authority to make decisions on matters within the duties and responsibilities of RC.

- (i) perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
- (ii) select, engage and obtain, at the cost of the Company, legal or professional advice in order for the RC to carry out its duties; and
- (iii) have full and unrestricted access to information pertaining to the Group.

7. Duties and Responsibilities

7.1 The duties and responsibilities of the RC are as follows:

- (i) to support the Board in actively overseeing the design, implementation and operation of the company's remuneration framework;
- (ii) to review the policies and procedures framework on remuneration of the Directors and Senior Management (inclusive of Remuneration Policy) as established by the Board;
- (iii) to review and recommend to the Board a fair and transparent remuneration policies and packages of the Non-Executive Directors, particularly on whether the remuneration remains appropriate to each Non-Executive Director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken clearly linked to the Company's strategic objectives, and performance.



- (iv) to review and recommend to the Board on the remuneration packages for Executive Directors and Senior Management personnel including, where appropriate, bonuses, incentive payments within the terms of the agreed remuneration policy and based on merit, qualification and competence, having regard to the Company's operating results, individual performance and comparable market statistics. No Executive Directors shall be involved in any decisions as to their own remuneration;
- (v) to ensure the remuneration and incentives for Independent Non-Executive Directors do not conflict with their obligation to bring objectivity and independent judgment on matters discussed at Board meetings.

8. Reporting Responsibilities

- 8.1 The RC Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.2 The RC shall make whatever recommendations to the Board as it deems appropriate on any area within its responsibilities where action or improvement is needed.