



EUPE CORPORATION BERHAD
Registration No. 199601005416 (377762-V)
(Incorporated in Malaysia)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. OBJECTIVES

The Board of Directors of the Company (“Board”) has established the Remuneration Committee (“RC” or the “Committee”) to assist the Board on matters relating to the remuneration package of the Directors and Senior Management*, amongst others:-

- (i) To establish fair and transparent policies and procedures in formalising remuneration framework of Directors and Senior Management of Eupe and its subsidiaries’ (“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 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.

**Senior Management means senior management staff, who shall be primarily responsible for, among others, running the Group’s business operations, management of corporate and financial affairs and who shall report directly to the Managing Director.*

2. COMPOSITION OF THE RC

- 2.1 The members of the RC shall consist of not less than three (3) members and exclusively of Non-Executive Directors, the majority of whom shall be Independent Directors.
- 2.2 The 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 Paragraph 2.1 above, the vacancy must be filled within three (3) months from the date of such vacancy.

3. MEETINGS

- 3.1 Frequency of meetings

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.



3.2 Secretariat

The Secretary of the Company shall act as the secretary of the RC (the "Secretary"). 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 Rights 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

The quorum for a Committee meeting 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

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

3.6 Minutes and Resolution

3.6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings. The minutes of the RC meeting shall be signed by the Chairman of the Committee meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

3.6.2 A resolution in writing, signed or approved via any electronic means by a majority of the members of the Committee, shall be as effectual as if it has 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 Committee members.



3.7 Voting

Questions arising at any meeting shall be decided by a majority of votes. Each member has one (1) vote. In the event of equality of votes, the Chairman shall have a second or casting vote. However, at meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairman will not have the second or casting vote.

4. AUTHORITY

The Board has authorised the RC, may wherever necessary and reasonable within the scope of its duties and responsibilities to:

- (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.

5. DUTIES AND RESPONSIBILITIES

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 procedure 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 the remuneration packages for Executive Directors and Senior Management 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.
- (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.



6. REPORTING RESPONSIBILITIES

- 6.1 The RC Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 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.

7. REVISION OF THE TERMS OF REFERENCE

This Terms of Reference shall be reviewed as and when required and updated in accordance with the needs of the Company and any new regulations. Any revision or amendments to this Terms of Reference, as proposed by the RC or any third party, shall first be presented to the Board for approval.