

**VESTLAND BERHAD****REMUNERATION COMMITTEE TERMS OF REFERENCE****1. PRIMARY PURPOSES**

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**") of Vestland Berhad ("**Vestland**" or "**Company**") with reviewing the remuneration framework, policy and procedures for directors and senior management and to recommend the remuneration package to the Board as a whole for approval, with each Director concerned abstaining from any decision as regards his remuneration

**2. MEMBERS**

- a. 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 Non-Executive directors.
- b. The Committee shall elect a Chairman from amongst its members and the elected Chairman shall be an Independent Non-Executive Director.
- c. The Chairman of the Board must not be a member of the Committee.
- d. No alternate director shall be appointed as a member of the Committee.

**3. AUTHORITY**

- a. The Committee is authorised to seek any information it requires from management of the Company in order to perform its duties.
- b. 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.
- c. 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.
- d. The Committee is authorised to seek input from management on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

**4. DUTIES AND RESONSIBILITIES**

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

- a. support the Board in actively overseeing the design and operation of the Company and its subsidiaries' ("**Group**") remuneration system to ensure corporate accountability and governance;

- b. review and recommend to the Board on the remuneration of Non-Executive Directors, particularly on whether the remuneration remains appropriate to each Director's contribution, by taking into account, amongst others, the level of expertise, commitment and responsibilities undertaken;
- c. review and recommend to the Board on the total individual remuneration package for Group Managing Director, Executive Directors and senior management personnel including, where appropriate, salaries, bonuses, directors' fee, allowances, incentive payments, options or benefit-in-kinds within the terms of agreed remuneration policy and based on individual contributions to the Group overall performance and value instead of depending on short term performance to avoid any incentives for excessive risk-taking;
- d. ensure that the remuneration package should be structured such that it is competitive and balance which should be sufficient to attract and retain Executive Directors and senior management of calibre, and yet not excessive;
- e. ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of the Group Managing Director, Executive Directors and the senior management. The framework should encourage Executive Directors to act in ways that enhance the Group's long-term profitability and value. Implementation of the policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of the Board and the senior management;
- f. review the policies and procedures on remuneration of the Group, including reviewing and recommending matters relating to the remuneration of Directors and senior management to the Board for approval;
- g. the Committee may draw advice and enlist the professional services of expert;
- h. review compensation policy of Directors and senior management, and ensure the compensations offered are in line with market practice (if any);
- i. ensure fees and benefits payable to Directors, and any compensation for loss of employment of Executive Directors are approved by shareholders at general meetings of the Company; and
- j. to carry out other responsibilities, functions or assignments as may be agreed by the Board from time to time.

## 5. MEETINGS OF THE COMMITTEE

- a. The Committee shall meet at least once a year and as frequently as may be required.
- b. 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.
- c. Any question arising at any meeting of the Committee shall be decided by a majority of votes, each member of the Committee having one (1) vote and a determination by a majority of the members of the Committee shall for all purposes be deemed a determination of the members of the Committee.

- d. The Committee may invite any Board member or any member of management or any employee of the Group who the Committee thinks fit to attend its meetings to assist and to provide insights, particularly on considerations relating to the performance of the Group and/or any pertinent information as necessary.
- e. The Company must ensure that other Directors and employees attend any particular Committee meeting only at the Committee's invitation, specific to the relevant meeting.
- f. The Committee may participate in a meeting of the Committee by means of conference telephone, conference videophone or any similar or other communication equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting. In the event of an equality of votes, the Chairman is entitled to a second or casting vote; and
- g. A resolution in writing signed or approved by facsimile, letter, telegram, telex or telefax or other written electronic communications by majority members of the Committee and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted. All such resolutions shall be described as "Committee Members' Resolutions in Writing" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the Company's minute book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Committee members.

## **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 and any other person required to attend, no later than seven (7) days before the date of the meeting, except in the case of an emergency, where reasonable notice of every Committee meeting shall be given in writing or obtain a waiver of notice period from the members of the Committee. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

## **8. SECRETARY AND MINUTES**

- a. The Company Secretary or other appropriate senior management shall be the Secretary of the Committee.
- b. The Secretary to the Committee shall be responsible, in conjunction with the Chairman of the Committee, for drawing up the agenda and other supporting explanatory documentation for circulation to the members of the Committee prior to each meeting.
- c. The Secretary to the Committee will also be responsible for keeping the minutes of the meetings of the Committee, and circulating them to members of the Committee and to other members of the Board.

- d. The Secretary to the Committee shall ensure that the minutes are properly kept at the registered office of the Company and produced for inspection by any Committee member or Board member, if required.

9. **PUBLISHED AT THE WEBSITE**

This written terms of reference of the Committee will be made available on the Company's website.

10. **REVIEW OF WRITTEN TERM OF REFERENCE**

Any amendments to this term of reference of the Committee shall be approved by the Board. These terms of reference will be reviewed annually or as and when required in accordance with the needs of the Group and based on any new regulations that may have an impact on the discharge of the Committee's responsibilities.