



## **PMB TECHNOLOGY BERHAD**

**Registration No. 200201016594 (584257-X)**

### **REMUNERATION COMMITTEE (TERMS OF REFERENCE)**

#### **1. MEMBERSHIP**

The members of the Remuneration Committee (“the Committee”) shall comprise wholly Non-Executive Directors and a majority of them must be Independent Directors and number at least three (3) in total. The appointment of a Committee member terminates when the member ceases to be a Director, or as determined by the Board. No alternate Director shall be appointed as a member of the Committee.

The Chairman of the Committee shall be an Independent Non-Executive Director appointed by the Board. The Chairman of the Board of Directors (“Board”) should not be a member of the Committee.

#### **2. ATTENDANCE**

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer (“CEO”), the Head of Human Resources or Senior Management may be invited to attend all or part of any meeting, as and when appropriate and necessary.

#### **3. MEETINGS**

Meetings shall be held at least once a year. More meetings may be convened when the need arises. The quorum for a meeting of the Committee shall be at least two (2) members, present in person. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst themselves.

The notice of Committee’s meeting shall be given in writing at least seven (7) days prior to the meeting except in the case of an emergency. Meeting papers and agenda items are to be circulated at least five (5) days prior to the meeting.

Attendance at a meeting may be in person or by way of participation via video conference or teleconference or such other means as may be agreed by the members, and it shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

A member of the Committee shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to a situation of an actual or perceived conflict of interest for the member. Where

this cause insufficient directors to make up a quorum, the Committee has the right to appoint another Director, which meets the membership criteria.

A resolution in writing, signed by all 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. The resolution may consist of several documents in like form, each signed by one or more Committee members. Any such documents may be accepted as sufficiently signed by the members if transmitted to the Company by email, facsimile or other electronic means or digital written message/application to include a signature of the members.

The Company Secretary or his/her representative or other appropriate senior officer shall act as secretary of the Committee, be in attendance at each meeting and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to Committee members prior to each meeting.

4. *ADVISERS*

The Committee is authorised by the Board to seek appropriate professional advice internally and externally at the Company's expense, as and when it considers necessary in discharge of its responsibilities.

5. *OBJECTIVES*

The primary function of the Committee is to assist the Board to recommend to the Board the remuneration package of Executive Directors, Non-Executive Directors and Senior Management of the Company and its subsidiaries ("the Group") to attract, retain and motivate Directors and Senior Management to drive long term objectives.

6. *DUTIES*

The duties of the Committee shall be to:

- a) Setting the remuneration policy for all Directors and key senior management.

In determining such policy, the Committee and the Board shall take into account all factors which it deems necessary including relevant legal and regulatory requirements. The objective of remuneration policy is to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is necessary, having regard to the views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long strategic term goals. A

significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company;

- b) To review any major changes in remuneration policy and employee benefit structures throughout the Company or Group, and if thought fit, recommend them to the Board for adoption;
- c) Review and recommend to the Board the remuneration packages of Executive Directors, Non-Executive Directors and key senior management in all forms;
- d) Review at least once a year the performance of the Executive Directors, CEO, Financial Controller and other senior executive officers and recommend to the Board specific adjustments in remuneration and/or reward payments if any reflecting their contributions for the year;
- e) Ensure that the remuneration packages are determined on the basis of the Directors' and Senior Management's merit, qualification and competence, having regard to the Company's long term strategic goals, sustainability risks and opportunities, operating results, individual performance and comparable market statistics;
- f) Consider and review any service contracts and remuneration package for newly appointed Executive Director(s), prior to their appointment;
- g) Ensure that the level of remuneration be aligned with the business strategy and long-term objectives of the Company, complexity of the Company's activities, and reflects the experience and level of responsibilities undertaken by the Directors and Senior Management; and
- h) Review the fees of the Directors and benefits payable to the Directors including any compensation for loss of employment of director or former director.

Pursuant to Section 230 of the Companies Act 2016, the fees of the Non-Executive Directors and any benefits payable to the Directors including any compensation for loss of employment of director or former director of the Company shall be approved at a general meeting. When considering severance payments, the Committee should bear in mind that it must represent the public interest and avoid any inappropriate use of public funds. Care should be taken to avoid determining a severance package that public opinion might deem to be excessive.

The determination of remuneration packages of Executive Directors and Non-Executive Directors should be a matter for the Board as a whole where the individuals concerned shall abstain from discussion of their own remuneration.

7. *ANNUAL GENERAL MEETING*

The Chairman of the Committee should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

8. *REPORTING RESPONSIBILITIES*

The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters with its duties and responsibilities.

The Committee shall make whatever recommendation to the Board it deems appropriate or any area within its remit where action or improvement is needed.

9. *MINUTES*

The minutes of meetings of the Committee shall be circulated to all members of the Committee and Board. The minutes shall be kept at the registered office of the Company under the custody of the Secretary of the Company and shall be open for inspection by the Board. Any request by Management or other persons to inspect the minutes shall be subject to the approval of the Committee.

10. *REVISION OF THE TERMS OF REFERENCE*

- Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party, shall first be presented to the Board for its approval.
- Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

11. *APPROVAL*

The Terms of Reference is reviewed and approved by the Board of Directors on 25 November 2021.