

KERJAYA PROSPEK GROUP BERHAD

Registration No. 198401010054 (122592-U)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1st Revision Date : 26 April 2013
2nd Revision Date : 13 April 2018
3rd Revision Date : 19 April 2021

Custodian : Finance Department

Objectives

To establish a formal and transparent procedure for developing policy on the remuneration of directors and recommending their remuneration packages. The remuneration package of the executive directors should be aligned with the business strategy and long-term objectives of the Group while the remuneration of other board members shall reflect the board's responsibilities, expertise and complexity of the Group's activities.

1. Members

The Committee shall be appointed by the Board of Directors ("**Board**") and shall consist of not less than 2 members and only of non-executive directors, a majority of whom shall be independent directors.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

2. Chairman and Secretary

The members of the Committee shall elect a Chairman amongst themselves who shall be an independent director.

The Company Secretary shall act as Secretary of the Committee.

3. Function

The Committee shall:-

- (a) review the executive directors' employment contracts and recommend to the Board on the total individual remuneration package for executive directors, including, where appropriate, salaries, bonuses, benefits, incentive payments within the terms of the agreed remuneration policy and based on individual performance. The remuneration packages of the executive directors should be determined by the Board (with each executive director abstained from discussion on their remuneration);
- (b) review the remuneration of non-executive directors (with each member abstained from discussion on their own fees/benefits) and report to the Board, particularly on whether the remuneration remains appropriate to each director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken. The remuneration of non-executive directors should be determined by the Board as a whole;
- (c) review the remuneration packages/allowances of members of the Board's committees, if any. The remuneration packages of the Board's committees should be determined by the Board as a whole. The individuals concerned should abstain from discussion their own remuneration;
- (d) assist the Board in ensuring the remuneration of the directors reflects the responsibility, skill expertise and commitment of the director concerned which takes into accounts the demands, complexities and performance of the Company;

- (e) review and report such other matters as may be delegated by the Board from time to time.
- (f) oversee the qualitative and quantitative disclosures of remuneration made in the annual report and notice to general meetings; and
- (g) provide clarification to shareholders during general meetings on matters pertaining to remuneration of directors and senior management as well as the overall remuneration framework of the Company.

Remuneration of the Senior Management of the Group need not be reviewed by the Committee.

4. Structures, Procedures and Meetings

The Committee should meet regularly as and when there are matters referred to them for consideration, with reasonable notice as the Committee members deem fit, of issues to be discussed. A member of the Committee may at any time and the secretary shall on the requisition of a member summon a meeting of the Committee. The Committee should disclose the number of committee meetings held in a year and the details of attendance of each individual member in respect of meetings held. The quorum shall be 2 members with majority of independent directors.

The Committee should have a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Committee is firmly in its hands. In the event that the remuneration package of a Committee member is to be discussed, the Committee member concerned should abstain from the discussion of his/her own remuneration package.

All decisions at such meeting shall be decided on a show of hands on majority of votes.

Minutes of each meeting shall be circulated to the Committee members and presented to the Board. Issues discussed and actions recommended by the Committee shall be presented and reported to the Board for decision.

If need arises, issues shall be resolved through circular resolution. A circular resolution in writing, signed by ALL members, shall be valid and effective as if it has been passed at a meeting duly convened and constituted.

The Committee should be entitled to the services of a secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both the Company's own records and for the purposes of meeting statutory requirements, as well as obligations arising from the Listing Requirements of Bursa Malaysia Securities Berhad and/or other regulatory authorities.

Other directors or employees may attend any particular Committee Meeting only at the Committee's invitation, specific to the relevant meeting.

5. Access to Advice

In furtherance to their duties as the Committee's members of the Company, there should be an agreed procedure for the members, whether as a full Committee or in their individual capacity, to take independent professional advice at the Company's expense, if necessary.