



PROGRESSIVE IMPACT CORPORATION BERHAD
199001011782 (203352-V)
(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. Composition of the Remuneration Committee (“RC”)

1.1 The RC shall be appointed by the Board of Directors of the Company (“Board”) from amongst their members and shall consist of at least two (2) members.

In the event of any vacancy in the RC resulting in the number being reduced below two (2), the Board must fill the vacancy within three (3) months.

1.2 The RC shall only comprise Non-Executive Directors and a majority of them must be Independent Directors.

1.3 The Chairman shall be elected by the RC from among their members who shall be an Independent Director.

1.4 The Chairman of the Board shall not be a member of the RC.

2. Duties and Responsibilities of RC

2.1 The RC shall be responsible for the following:-

(a) Establish remuneration policies and procedures to determine the remuneration of Directors and Senior Management, which take into account the demands, complexities and performance of the Company as well as skills and experience required. The remuneration policies and practices should appropriately be reflective of the different roles and responsibilities of Non-Executive Directors, Executive Directors and Senior Management.

(b) Review and recommend to the Board the remuneration packages of Directors and Senior Management, taking into consideration the following:-

- (i) merit, qualification and competence
- (ii) the individual’s performance
- (iii) the individual’s roles and responsibilities
- (iv) comparable market statistics
- (v) fairness of the remuneration package to attract, retain and motivate quality talent
- (vi) the Company’s operating results
- (vii) the complexity of the Company’s business
- (viii) alignment of the remuneration package with the business strategy and long-term objectives of the Company
- (ix) the Company’s performance in managing material sustainability risks and opportunities and
- (x) any other factors deemed fit by the RC.

- (c) Review the key performance indicators of the Directors and Senior Management.
 - (d) Review and recommend to the Board the short-term incentive and long-term incentive plans for the Executive Directors and Senior Management.
 - (e) Review and recommend to the Board the compensation payable to Executive Directors and Senior Management in the event of termination of their service contracts by the Company or the Group.
 - (f) Consider and examine such other matters as may be directed by the Board or brought to its attention.
- 2.2 The remuneration package of Non-Executive Directors should be determined by the Board as a whole.
- 2.3 In the event that the remuneration package of a RC member is to be discussed, the RC member concerned should abstain from the discussion of his/her own remuneration package.

3. Procedure of RC Meetings

3.1 Frequency of Meetings

The RC shall meet at least once in each financial year. Additional meetings may be called as and when required.

3.2 Venue and Participation

- (a) The RC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the RC members as a whole to participate for the entire duration of the meeting, and that all information and documents for the meeting must be made available to all members prior to or at the meeting.
- (b) The technology to be used for the purpose of this paragraph must enable each RC member taking part in the meeting to communicate simultaneously with each of the other RC members and may include telephone, television, video conferencing, or any other audio including visual device which permits instantaneous communication.
- (c) A virtual RC meeting shall be deemed constituted provided the following conditions are met:
 - (i) all the present RC members entitled to receive notice of the RC meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of information technology (or in such other manner) as may be permitted by the Constitution of the Company; and
 - (ii) a RC member may not leave a virtual meeting by disconnecting from the technology used unless he/she has previously notified the Chairman of the meeting of his/her intention to leave the meeting and a RC member shall be conclusively presumed to have been present and to have formed part of the quorum at all times during such a meeting until such notified time of his/her leaving the meeting.

- (d) The main venue of the meeting shall be the place where the Chairman is.

3.3 Notice

- (a) The Secretary, with the concurrence of the Chairman, shall be responsible for drawing up and circulating the agenda and the notice of RC meetings.
- (b) The notice of the RC meetings and meeting materials shall be circulated at least five (5) business days before each meeting, or shorter notice where it is unavoidable, prior to each meeting to members of the RC.
- (c) Notice of meetings shall be given in writing and served to the RC member either personally or by email, fax, post or by courier to his/her registered address as appearing in the Register of Directors or to the address provided by the RC member, as the case may be.

3.4 Quorum

The quorum shall consist of minimum two (2) members, one of whom must be an Independent Director. In the absence of the Chairman of the RC, or if he/she is not present at any RC meeting, the RC members present shall elect one (1) of their members of whom is an Independent Director to be the Chairman of the meeting.

3.5 Attendance

The RC may extend an invitation to other Board members and Management to attend meetings as it deems necessary.

3.6 Voting

- (a) Each member of the RC is entitled to one (1) vote in deciding the matters deliberated in the meeting.
- (b) Resolutions arising from question raised at any meeting of the RC 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.
- (c) A RC member shall abstain from discussion or deliberations during the meeting of any matter which gives rise to an actual or perceived conflict of interest situation for the RC member.

3.7 Keeping of Minutes

- (a) The Company shall cause minutes of all proceedings of the RC meeting to be entered in the books kept for that purpose.
- (b) Minutes of previous meeting signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting shall be evidence of the proceedings to which it relates. The minutes of all RC meetings shall be circulated to members of the Board.
- (c) Minutes shall be kept by the Company at the Registered Office and shall be open for inspection by any of the RC members or Board members.

4. Written Resolutions

- 4.1 The RC is also allowed to carry out their resolutions by way of a written resolution. A written resolution that is signed in accordance with the quorum that is required by a majority of the RC members shall be valid and effectual as if it were a resolution duly passed at a RC meeting duly convened and held.
- 4.2 Any such resolution may consist of several documents in like form, each signed by one or more of the RC members. Any such document may be accepted as sufficiently signed by a member of the RC if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the RC member.

5. Power and Authority

The RC is authorised by the Board to:-

- (a) have the resources which are required to perform its duties;
- (b) have full and unrestricted access to relevant information and documents of the Company;
- (c) seek external professional advice at the expense of the Company if the RC considers this necessary in the discharge of its responsibilities and invite persons with relevant expertise and knowledge to attend its meetings where deemed necessary; and
- (d) have access to advice and services of the Company Secretary.

6. Secretary

The Company Secretary of the Company or such substitute as appointed by the Directors or the RC from time to time shall act as the Secretary of the RC.

7. Reporting and Operation of the RC

- 7.1 The Chairman shall report to the Board on its proceedings after each RC meeting and present the recommendations of the RC to the Board accordingly.
- 7.2 The RC shall take into consideration the Remuneration Policy for Directors and Senior Management in the discharge of its duties and responsibilities.
- 7.3 The RC shall provide the relevant information and review all reports and statements under the purview of the RC to assist the Board in making the required disclosures in the Annual Report and Corporate Governance Report.
- 7.4 The Terms of Reference of RC shall be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's duties and responsibilities.

The Terms of Reference shall be made available on the Company's website at www.picorp.com.my.

Adopted : 7 April 2005
Amended : 20 November 2017
 : 1 December 2021