

SUNWAY BERHAD

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. OBJECTIVES

The Remuneration Committee shall:

- (a) Ensure that the Company's Executive Directors are fairly rewarded for their individual contributions to the Company's overall performance and the levels of remuneration should be sufficient to attract and retain Directors to run the Company successfully.
- (b) Demonstrate to all stakeholders in the business that the remuneration of the Executive Directors of the Company is set by a Committee of the Board who has no personal interest in the outcome of their decisions and who will give due regard to the interests of the stakeholders and to the financial and commercial health of the Company.

2. MEMBERSHIP

- (a) The Committee shall be appointed by the Board from among their number and shall comprise not fewer than three (3) in number.
- (b) The Committee shall comprise Non-Executive Directors and a majority of them must be Independent Directors.
- (c) The Chairman shall be an Independent Non-Executive Director of the Company.
- (d) In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.

3. FUNCTIONS

- (a) To recommend to the Board the remuneration framework for the Non-Executive Directors.
- (b) To set the policies and procedures and recommend to the Board, the remuneration framework for the Executive Directors and senior management.
- (c) Ensure that a fair differential between the remuneration of Executive Directors and other levels of management is maintained.

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- (d) Conduct continued assessment of individual Executive Directors and senior management to ensure that remuneration is directly related to corporate and individual performance.
- (e) Obtain the advice and information from external source, if necessary, to compare the remuneration currently earned by the Executive Directors and senior management with the remuneration package paid to Executive Directors of other companies of a similar size in a comparable industry sector.
- (f) To ensure that the base salary element is competitive but fair.
- (g) To advise on and monitor, a suitable performance related formula i.e. whether the formula is based on individual performance, company profit performance, earnings per share, etc.
- (h) To provide an objective and independent assessment of the benefits granted to Executive Directors and senior management.
- (i) To introduce any policy or guidelines which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities.
- (j) To furnish a report to the Board of any findings of the Committee.
- (k) To review the policies and procedures of the remuneration framework periodically.

4. MEETINGS

- (a) The Committee shall meet at least once per year. However, additional meetings may be called at any time at the Committee Chairman's discretion.
- (b) In the absence of the Committee Chairman, the remaining members present shall elect one (1) of the independent non-executive members as chairman of the meeting.
- (c) The quorum for the meeting shall be two (2) members.

5. SECRETARY

The Secretary to the Committee shall be the Company Secretary.