

CUSCAPI BERHAD
(43190-H)
(Incorporated in Malaysia)

REMUNERATION COMMITTEE TERMS OF REFERENCE

1. Composition

The Committee shall be appointed by the Board from among its Directors and shall fulfill the following requirements:-

- a) the Committee shall be composed of no fewer than three (3) members; and
- b) the Committee shall consist wholly or mainly of non-Executive Directors.

The Chairman of the Committee and the members shall be appointed by the Board based on the recommendations of the Nomination Committee.

The Board shall periodically review the membership and terms of reference of the Committee to determine its adequacy for current circumstances and the Committee may recommend any change it considers necessary to the Board for approval.

2. Rights

The Committee shall, in accordance with the procedure determined by the Board and at the expense of the Company:-

- a) have the resources which are required to perform its duties;
- b) have full and unrestricted access to any information pertaining to the Company;
- c) have direct communication channels with the Senior Executive Management; and
- d) be able to obtain independent professional or other advice.

3. Functions

The functions of the Remuneration Committee shall include the following:-

- a) to recommend to the Board the remuneration of the Executive Directors in all its forms, drawing from outside advice as necessary. Executive Directors should play no part in decisions on their own remuneration.
- b) to recommend to the Board the determination of remuneration packages of non-Executive Directors, including the non-Executive Chairman. The remuneration of non-Executive Directors shall be a matter for the Chairman and the executive members of the Board and subject always to shareholders' approval. The individuals concerned should abstain from discussion of their own remuneration.

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- c) to determine broadly the remuneration package of managing director, executive director, senior management and key executives of the Group as identified, during salary review exercises by reference to market comparables and other economic and business factors.
- d) to review and endorse the Managing Director's/Chief Executive Officer's recommendation of allocation of this amount identified, taking into account his assessment of key performance attributes and goals met by each individual appraisee evaluated and the basis used in scoring.
- e) to propose on the total quantum to be allocated for annual bonus and salary increments for staff and management having regard to the Group's performances for the period under review and other economic factors.
- f) to establish a formal and transparent procedure for developing policy on executive directors remuneration and for fixing the remuneration packages of individual Directors.
- g) to review and advise on the term of any contract to be offered to an Executive Director ensuring that contractual terms on appointment, retirement, termination and any payments made are fair to the individual and the Company.
- h) to review the ongoing appropriateness and relevance of the remuneration policy and approving any major changes to remuneration policy.
- i) reviewing and making recommendation to the Board for the remuneration report for inclusion in the annual report.

4. Meetings Procedure

- a) Secretary

The Company Secretary or his or her nominee shall act as the secretary of the Committee.

- b) Frequency of Meetings

Meetings of the Committee shall be held at least once a year. The Chairman shall convene a meeting whenever any member of the Committee requests for a meeting.

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Other Board members and any other persons may attend any particular meeting only at the Committee's invitation.

c) Notice of Meeting

Meetings of the Committee shall be arranged by the Committee Secretary at the request of the Committee Chairman or any other member of the Committee.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each Committee member and to other attendees (as appropriate) in advance of each scheduled meeting date together with an agenda and supporting papers. The Committee Secretary shall ensure that agenda and supporting papers are received in a timely manner to enable full and proper consideration.

d) Quorum for Meeting

The quorum for the meeting shall be two (2) members provided always that the majority of members present must be non-executive directors and any decision shall be by a simple majority.

e) Minutes of Meetings

The Committee Secretary shall minute the proceedings and resolutions of all Committee meetings.

Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Committee unless it is deemed inappropriate to do so.

f) Reporting Responsibilities

The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. When presenting any recommendation to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.