

AWC BERHAD (550098-A)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. Objectives

The principal objectives of the Remuneration Committee ("Committee") are to assist in developing a policy on remuneration packages of Directors and key senior management and also to ensure that the reward and remuneration packages commensurate with the expected responsibility and contribution by the Directors and key senior management in order to attract and retain high caliber executives needed to run and manage the Company successfully.

2. Composition of members

The Board of Directors shall elect the Committee members from amongst themselves of which the majority shall comprise non-executive Directors.

3. Chairman

The Committee shall elect a Chairman from amongst its members and the elected Chairman of the Committee shall be approved by the Board of Directors.

In the event, the elected Chairman is not able to attend the Committee meeting, a member of the Committee shall be nominated as Chairman for the meeting.

4. Meetings of the Committee

i. Frequency

The Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary.

For the Committee's meetings (except in the case of an emergency), reasonable notice shall be given in writing to all the Members of the Committee.

ii. Quorum

A minimum of two members shall form the quorum.

iii. Secretary of the Committee

The Company Secretary shall be the secretary of the Committee.

iv. Minutes of the Committee Meeting

Every meeting of the Committee must be recorded either by the Company Secretary or any other person approved by the Committee to take minutes and such minutes must be signed by the Chairman of the Meeting as evidence that the meeting was duly convened and held.

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5. Functions

The functions of the Committee are as follows:

- i. To review and recommend to the Board a framework for the remuneration, for chief executive officer / executive directors of the Company, with or without other independent professional advice or other outside advice.
- ii. To recommend specific remuneration packages for chief executive officer and executive directors.
- iii. To determine the composition of the various types of components of remuneration such as basic salary, bonus and other benefits in kind for executive directors.
- iii. To ensure that the levels of remuneration are sufficiently attractive to retain directors and structuring the remuneration packages to link rewards to the individual performance.
- iv. To consider and examine such other matters as the Committee considers appropriate.