

# **SCH GROUP BERHAD**

(Company No. 972700-P)

(Incorporated In Malaysia)

## **TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE**

### **1. OBJECTIVE**

The primary objective of the Remuneration Committee (“Committee”) is to establish a documented, formal and transparent procedure for assessing and reviewing the remuneration packages of Managing Director, Executive Directors, Non-Executive Director and Principal Officer including their fees and subsequently furnishes recommendations to the Board on specific adjustments in remuneration to commensurate with the respective contributions of the Directors.

### **2. COMPOSITION**

The members of the Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise of at least three (3) members, consisting wholly or mainly of Non-Executive Directors.

The Company Secretary or his nominee or such other persons authorised by the Board shall act as the Secretary of the Committee.

### **3. CHAIRMAN**

The members of the Committee shall elect a Chairman from among their number who shall be an Independent Non-Executive Director / Executive Director.

If the Chairman is not present at a meeting within fifteen (15) minutes after the time appointed for holding the meeting, the members of the Committee may elect one of their members to be the Chairman of the meeting.

### **4. FREQUENCY OF MEETINGS**

The Committee shall meet at least once a year and as frequently as may be required. The quorum for the meeting and/or for the sanction and endorsement of approvals in writing shall be any two (2) members, of which at least one (1) shall be an independent director.

Subject to the notice and quorum requirements as provided in the Terms of Reference, meeting of the Committee may be held and conducted through the telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

## **5. NOTICE AND MINUTES OF MEETINGS**

The Committee shall be summoned by the Secretary at the request of the Chairman of the Committee. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the committee, any other person required to attend and all other non-executive directors, no later than seven (7) days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

A resolution in writing, signed by a majority of the members of the Committee present in Malaysia for the time being entitled to receive notice of a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more of the members of the Committee.

## **6. DUTIES AND RESPONSIBILITIES**

The primary role and functions of the Committee are: -

- i) Providing assistance to the Board in determining the policy and framework for the remuneration of Directors and certain senior management personnel;
- ii) Providing assistance to the Board in discharging responsibilities relating to, amongst others, compensation strategy, management development and other compensation arrangements; and
- iii) Ensuring corporate accountability and governance in respect of the Board remuneration and compensation functions.

Subject to shareholders' approval in the general meeting, the Board as a whole determines the level of remuneration of the Non-Executive Director of the Company. The review of the remuneration of the Non-Executive Director should take into consideration fee levels and trends for similar positions in the market, time commitment required from the director and any additional responsibilities undertaken such as a director acting as chairman of a board committee or as the senior independent non-executive director. The individuals concerned should abstain from discussion of their own remuneration.

The Executive Directors shall play no part in decisions on their own remuneration.

## **7. AUTHORITY**

- i) The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.

- ii) The Committee is authorised to call for any appropriate person or person to be in attendance to make presentations or furnish or provide independent advice on any matters within the scope of responsibilities.
- iii) The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

## **8. VARIATION**

The above Terms of Reference may be determined and/or varied by the Company's Board of Directors at any time and from time to time.

**END.**