

## **ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD**

### **REMUNERATION COMMITTEE Terms of Reference**

#### **A. Objectives**

The Remuneration Committee shall:

- A.1 Ensure that the Company's 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.
- A.2 Demonstrate to all stakeholders in the business that the remuneration of the Executive Directors of the Company is set by a committee of board members who have no personal interest in the outcome of their decisions, and assist the Board to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors with due regard to the interests of the shareholders and to the financial and commercial health of the Company.

#### **B. Membership**

- B.1 The Committee shall be appointed by the Board from among their number and shall be composed of not less than three (3) in number.
- B.2 The majority of the members of the Committee shall be Non-Executive Directors of the Company.
- B.3 The members of the Committee shall elect a Chairman from among their number who is not an Executive Directors of the Company;
- B.4 In the event that any vacancy in the Committee resulting in the number of members being reduced to below three, the Board shall, within three (3) months filled the vacancy.

#### **C. Functions**

- C.1 To recommend to the Board the remuneration of the Executive Chairman, Chief Executive Officer and Executive Directors.
- C.2 Assume responsibility for all elements of Executive Directors' remuneration e.g.:
  - a) Basic salary
  - b) Profit-sharing schemes (if any)
  - c) Share options
  - d) Any other benefits
  - e) Compensation for early termination
- C.3 Ensure that a fair differential between the remuneration of Board members and other levels of management is maintained.
- C.4 Conduct continued assessment of individual Executive Directors to ensure that remuneration is directly related to corporate and individual performance.

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**REMUNERATION COMMITTEE- Terms of Reference (CONT'D)**

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- C.5 Obtain the advice and information from external source, if necessary, to compare the remuneration currently earned by the Executive Directors and those paid to Executive Directors of other companies of a similar size in a comparable industry sector.
- C.6 To ensure that the basic salary element is competitive but fair.
- C.7 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.
- C.8 To provide an objective and independent assessment of the benefits granted to Executive Directors.
- C.9 To consider details of Executive Directors' remuneration that should be reported, in addition to the legal requirements, and how the details should be presented in the Annual Report.
- C.10 To furnish a report to the Board of any findings of the Committee.

**D. Meetings**

The Committee shall meet at least once a year. However, additional meetings may be called at any time at the Remuneration Committee Chairman's discretion.

**E. Secretary**

The Company Secretary or their nominee shall act as the Secretary of the Committee.

**F. Minutes of the Meetings**

- F.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- F.2 Minutes of committee meetings shall be circulated to each member of the Remuneration Committee and to the Chairman of the Board and made available on request to other members of the Board.

**G. Quorum**

The quorum of each meeting shall be two (2) members with majority of Non-Executive directors.