



NESTCON GROUP

BUILDING INTEGRITY . CONNECTING COMMUNITIES

**REMUNERATION COMMITTEE
TERMS OF REFERENCE**

1. PRIMARY PURPOSES

The primary objective of the Remuneration Committee (“Committee”) is to establish a documented, formal and transparent procedure to support and advise the Board of Directors (“Board”) with reviewing the remuneration framework, policy and procedures for directors and senior management and to recommend the remuneration package to the Board as a whole for approval, with each Director concerned abstaining from any decision as regards his remuneration.

2. MEMBERS

- (a) 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, all of whom must be Non-Executive Directors, with a majority of them being independent.
- (b) The Committee shall elect a Chairman from amongst its members and the elected Chairman shall be an Independent Non-Executive Director.
- (c) No alternate director shall be appointed as a member of the Committee. The term of office and performance of the Committee and each of its members shall be reviewed by the Nomination Committee annually to determine whether the members have carried out their duties in accordance with their terms of reference.
- (d) If a member of the Committee resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

3. AUTHORITY

- (a) The Committee is authorised to seek any information it requires from management of the Company in order to perform its duties.
- (b) 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.
- (c) The Committee is authorised by the Board to obtain, at the Company’s expense, external legal or other professional advice on any matters within its terms of reference.

4. DUTIES AND RESPONSIBILITIES

In fulfilling its primary objectives, the Committee shall undertake, amongst others, the following duties and responsibilities:

- (a) Support the Board in actively overseeing the design and operation of the Group’s remuneration system to ensure corporate accountability and governance;

4. DUTIES AND RESPONSIBILITIES (Continued)

- (b) Review and recommend to the Board on the remuneration of Non-Executive Directors, particularly on whether the remuneration remains appropriate to each director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken;
- (c) Review and recommend to the Board on the total individual remuneration package for Executive Directors and senior management personnel including, where appropriate, salaries, bonuses, directors' fee, allowances, incentive payments, options or benefit-in-kinds within the terms of agreed remuneration policy and based on individual contributions to the Company's overall performance and value instead of depending on short term performance to avoid any incentives for excessive risk-taking;
- (d) Ensuring that the remuneration package should be structured such that it is competitive and balance which should be sufficient to attract and retain all calibre Executive Directors and senior management;
- (e) Ensuring the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of the Executive Directors and the senior management. The framework should encourage Executive Directors to act in ways that enhance the Company's long-term profitability and value. Implementation of the policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of the Board and the senior management;
- (f) The recommendations of Committee shall be submitted for endorsement by the entire Board; and
- (g) The Committee may draw advice and enlist the professional services of expert.

5. MEETINGS OF THE COMMITTEE

- (a) The Committee shall meet at least once a year and as frequently as may be required.
- (b) In the event the elected Chairman is not able to attend a meeting, a member of the Committee shall be nominated as Chairman for the meeting. The nominated Chairman shall be an Independent Non-Executive Director.
- (c) Any question arising at any meeting of the Committee shall be decided by a majority of votes, each member of the Committee having one (1) vote and a determination by a majority of the members of the Committee shall for all purposes be deemed a determination of the members of the Committee.
- (d) The Committee may invite any Board member or any member of management or any employee of the Company who the Committee thinks fit to attend its meetings to assist and to provide insights, particularly on considerations relating to the performance of the company and/or any pertinent information as necessary.

5. MEETINGS OF THE COMMITTEE (Continued)

- (e) The Company must ensure that other directors and employees attend any particular Committee meeting only at the Committee's invitation, specific to the relevant meeting.
- (f) The Committee may participate in a meeting of the Committee by means of conference telephone, conference videophone or any similar or other communication equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- (g) A resolution in writing signed or approved by facsimile, letter, telegram, telex or telefax or other written electronic communications by all the members of the Committee and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted. All such resolutions shall be described as "Committee Members' Resolutions in Writing" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by the Secretary in the Company's minute book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Committee members.

6. QUORUM

The quorum for a meeting of the Committee shall consist of not less than two (2) members, majority of members present must be Independent Non-Executive Directors.

7. NOTICE OF MEETINGS

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 and any other person required to attend, no later than seven (7) days before the date of the meeting, except in the case of an emergency, where reasonable notice of every Committee meeting shall be given in writing. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

8. SECRETARY AND MINUTES

- (a) The Company Secretary or other appropriate senior management shall be the Secretary to the Committee.
- (b) The Secretary to the Committee shall be responsible, in conjunction with the Chairman of the Committee, for drawing up the agenda and other supporting explanatory documentation for circulation to the members of the Committee prior to each meeting.
- (c) The Secretary to the Committee will also be responsible for keeping the minutes of the meetings of the Committee, and circulating them to members of the Committee and to other members of the Board of Directors.
- (d) The Secretary to the Committee shall ensure that the minutes are properly kept and produced for inspection if required.