

REMUNERATION COMMITTEE **TERMS OF REFERENCE**

1. OBJECTIVE

The primary objective of the Remuneration Committee (“RC” or “Committee”) is act as a committee of the full Board to assist in discharging the Board’s responsibilities:-

- (a) Review the remuneration policies for Directors and Senior Management;
- (b) Review and recommend the remuneration of the Executive Directors, Non-Executive Directors and Senior Management (if necessary) to the Board;
- (c) Review the performance of, and recommend to the Board for approval the annual total remuneration packages which include salaries, incentives, compensation for loss or termination of office or appointment of Executive Directors;
- (d) Review and approve performance measures for incentive plans recommended by Management, drawing from external advice, if necessary; and
- (e) Communicate with shareholders on Directors’ remuneration.

2. COMPOSITION

- 2.1 The Committee members shall be appointed by and from the Board of the Company and shall comprise of not less than three (3) members.
- 2.2 All members of the RC must be non-executive directors with a majority of the RC must be independent directors as defined under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).
- 2.3 The Chairman of the Committee shall be an Independent Director appointed by the Board.
- 2.4 No alternate Director shall be appointed as a member of RC.
- 2.5 In the event of any vacancy in the RC (including Chairman) resulting in the non-compliance of item 2.1 above, the Board shall upon the recommendation of the Nomination Committee fill the vacancy within 3 months of that event.
- 2.6 Membership in the RC is relinquished when a member ceases to be a Director or as determined by the Board. If a member wishes to voluntarily relinquish their membership, they may provide prior written notice to the Company Secretary. The Nomination Committee will then review and recommend a replacement candidate to the Board for approval.

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3. DUTIES AND RESPONSIBILITIES**3.1 Review the Remuneration Framework presented by the Management**

To review and recommend to the Board on the following parameters of the framework:

- a) relevant personnel who the policy will relate to i.e., Directors and Senior Management of Komark Group;
- b) review and assess the measurement taken to evaluate the performance of the Directors;
- c) review and assess on the procedure of payout and how it will be linked to performance of individual and company;
- d) assist the Board in developing and administrating a fair and transparent procedure for setting policy on remuneration of Directors and Senior Management. The remuneration packages are determined on the basis of the individual's merit, qualification and competence, having regard to the company's operating results, individual performance and comparable market information;
- e) review the level of remuneration as it should be aligned with the business strategy and long-term objectives of the Company and to, complexity of the Company's activities, reflect the experience and level of responsibilities undertaken by the Executive Directors and Non-Executive Directors;
- f) review the remuneration packages of Executive Directors and Non-Executive Directors where the individuals concerned shall abstain from discussion of their own remuneration; and
- g) to consider all other related matters as may be requested by the Board from time to time.

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3.2 Executive Directors' Remuneration

Review and recommend to the Board the remuneration of any Executive Directors within the Group where the individuals concerned shall abstain from discussion and participation in decisions about their own remuneration packages.

3.3 Non-Executive Directors' Remuneration

Review and recommend to the Board the fees and benefits payable, if any for Non-Executive Directors of the Company taking into consideration responsibilities undertaken such as acting as the Board Chairman, Chairman of a Board Committee or as the Senior Independent Director. The individuals concerned shall abstain from discussion and participation in decisions about their own remuneration packages.

3.4 Senior Management's Remuneration

Determine and recommend to the Board the appropriate remuneration of Senior Management taking into consideration payment and employment conditions within the industry and comparable companies to retain the best candidates and incentives to motivate staff.

3.5 Communicate with shareholders on Directors' remuneration

3.5.1 to formulate policies, procedures, guidelines and set criteria for remuneration packages for the Executive Directors and Non-Executive Directors, which should be disclosed in the Annual Report where necessary.

3.5.2 the remuneration of individual directors shall be disclosed on a named basis in the Annual Report and each member of key senior management shall be disclosed in aggregate bands.

3.5.3 the Chairman of the Committee or in his absence, another member of the Committee shall attend the Annual General Meeting of the Company and be prepared to respond to questions at the meeting on the Committee's work and responsibilities.

3.5.4 Review and recommend to the Board of Directors and thereafter the shareholders at the Annual General Meeting, the fees of the directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of the Komark Group.

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4. POWERS AND AUTHORITY

The Board authorises the Committee, within the scope of its duties and responsibilities set out in this Terms of Reference (“**TOR**”) to:

- (a) acquired the resources which are required to perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
- (b) have full and unrestricted access to information, records, properties and personnel within the Group;
- (c) obtain relevant internal and external independent professional to assist in the proper discharge of its roles and responsibilities; advice, as it deems necessary at the expense of the Company; and
- (d) have access to the advice and services of the Company Secretary.

5. QUORUM AND MEETING

- 5.1 In order to form a quorum, minimum two (2) members must be present at the meeting, with at least one member must be Independent Director.
- 5.2 In the absence of the Chairman, the members present shall elect a Chairman for the meeting amongst the members present.
- 5.3 The Committee shall meet at least once a year. Additional meetings shall be held as and when the Committee or the Chairman of the Committee shall decide. The Committee meetings shall be governed by the provisions of the Company’s Constitution relating to Board meetings unless otherwise provided for in this TOR. The Committee may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.
- 5.4 The Committee may request other Directors, members of Board committees/management, counsels and consultants, where applicable and necessary, to participate in the meetings, to assist in carrying out the Committee’s responsibilities. However, no Director shall be entitled to vote at such meetings or be counted as part of the quorum for any meeting of the Committee unless he or she is a member of the Committee.
- 5.5 A member of the Committee shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him.

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- 5.6 A member of Committee may participate in a meeting by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 5.7 The notice and agenda for each Committee meeting shall be sent to all members of the Committee and any other persons who may be required to attend the meeting within five (5) Business days.
- 5.8 The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities as well as on any other matter that should be brought to the Board's attention and provide recommendations of the Committee that require the Board's approval at the Board meeting.
- 5.9 The Committee shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter. A resolution in writing, signed by all the members of the Committee, shall be as effectual as if it has 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 committee members and may be accepted as sufficiently signed by a RC member if transmitted to the Company by email, facsimile or other electronic means or digital written message/application to include a signature of an RC member.

6. SECRETARY OF THE COMMITTEE

- 6.1 The Company Secretary or his/her representative or other appropriate senior officer shall act as secretary of the Committee ("**the Secretary**").
- 6.2 The Secretary shall or his/her representative or other appropriate senior officer be present to record proceedings of the Committee meetings.
- 6.3 The Secretary shall have the following responsibilities:
- 6.3.1 ensure all meetings are arranged and held accordingly;
- 6.3.2 draw up meeting agenda in consultation with the Chairman and circulate the agenda together with the relevant papers within a reasonable period prior to each meeting to enable full and proper consideration be given to issues;

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- 6.3.3 prepare the minutes of the Committee meetings and record the conclusions of the Committee in discharging its duties and responsibilities;
- 6.3.4 ensure the minutes are endorsed by the Chairman before circulating promptly to all members of the Committee and make the same available to Board members who are not members of the Committee; and
- 6.3.5 ensure that the minutes of the Committee meetings are properly produced and kept at the registered office of the Company. The minutes shall be open for inspection by the Board. Any request by Management or other persons to inspect the minutes shall be subjected to the approval of the Committee for inspection, if required.

7. DISCLOSURE ON COMMITTEE'S ACTIVITIES

- 7.1 A statement about the activities of the Committee discharging its duties for the financial year shall be provided in the annual report.
- 7.2 The Committee must have written TOR which deal with its authority and duties and these terms shall be disclosed on the company's website.

8. REVISION OF THE TOR

- 8.1 This TOR shall be reviewed periodically and any revision or amendment to this TOR, as proposed by the Committee or any third party, shall first be presented to the Board for its approval.
- 8.2 Upon the Board's approval, the said revision or amendment shall form part of this TOR and this TOR shall be considered duly revised or amended.
- 8.3 The duly revised or amended TOR shall be disclosed on the Company's website.

This Terms of Reference is revised and approved by the Board of Directors on 17 October 2024.