

ACO GROUP BERHAD
[Company No.: 201901020410 (1329739-A)]
(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. OBJECTIVES

To recommend to the Board of Directors the policy framework and all elements of remuneration and benefits for the executive directors and Principal Officers such as Group Managing Director (“GMD”), Chief Operating Officer (“COO”) and Chief Financial Officer (“CFO”) of the Company.

2. COMPOSITION

- a) The Remuneration Committee (“Committee”) shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than three (3) members.
- a) The Committee shall consist of non-executive Directors, a majority of whom are independent Directors.
- b) The members of the Committee shall elect a Chairperson from amongst their number.
- c) If a member of the Committee resigns or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three (3) months, appoint such number of new members as may be required to make up the minimum of three (3) members.

3. AUTHORITY

The Committee is authorised to: -

- a) Have adequate resources required to perform its duties.
- b) Have full and unrestricted access to information, records and documents relevant to its activities.

4. FUNCTIONS AND DUTIES

- a) To review and recommend to the Board, on an annual basis, the remuneration packages of GMD, Executive Directors in all forms inclusive of cash and non-cash benefits, options and privileges granted by the Company. The remuneration packages should be sufficient to attract and retain the directors to run the Company successfully.

- b) To review and recommend on an annual basis, the remuneration packages of the key senior management.
- c) To establish and review policies governing the remuneration packages and structures for Group Managing Directors, Executive Directors and other key senior management.
- d) The Committee may obtain information and advice from external sources on the establishment of policies and the appropriateness of remuneration package, if required.
- e) The determination of the remuneration of the non-executive Directors including Non-Executive Chairperson is a matter for the Board as a whole.

5. MEETINGS

- a) The quorum for each meeting shall be at least two (2) members.
- b) The Committee shall meet at least once a year and such additional meetings as may be called at any time at the discretion of the Committee Chairperson.
- c) Questions arising at any meeting of the Committee shall be decided by a majority of votes and a determination by a majority of members shall for all purposes be deemed a determination of the Committee. Members must abstain from discussing their own remuneration.
- d) In the case of an equality of votes, the Chairperson of the meeting shall have a second or casting vote PROVIDED THAT where two (2) members form a quorum, the Chairperson of the meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue, shall not have a casting vote.
- e) The Committee may invite any person to attend the meeting to assist in its deliberations.
- f) The Committee is allowed to carry out the resolution by way of circulation.
- g) The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairperson, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
- h) The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.
- i) The minutes of the Committee shall be made available to the Board.

The Terms of Reference of the Committee was adopted on 22 August 2019. Subsequent review was performed on 28 February 2023.