



**SASBADI HOLDINGS BERHAD**  
(Company No. 1022660-T)

**TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

**Constitution**

The Board of Directors (“Board”) has established a Committee of the Board to be known as the Remuneration Committee.

**Membership**

1. The Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise wholly or mainly of non-executive directors of not less than three (3) members.
2. The members of the Committee shall elect a Chairman from among their members.
3. The Company Secretary or his nominee or such other persons authorised by the Board shall act as the Secretary of the Committee.
4. 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 of Directors 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.

**Meetings and Minutes**

5. The Chairman of the Committee may request for a meeting as and when deemed necessary. The quorum for the meeting of the Committee shall consist of not less than two (2) members.
6. The Committee shall report to the Board and its minutes tabled and noted by the Board of Directors. The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the registered office or the principal office of the Company and shall be open for inspection of any member of the Committee and the Board of Directors.
7. The Chairman of the Committee shall be entitled, where deemed appropriate, to invite any other person to a meeting of the Committee at which that person’s expertise may be required having regard to the subject matter to be discussed.

## **Functions**

8. Review and recommend to the board the framework of remuneration and its cost, and the remuneration package for executive directors and key management personnel, taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar jobs in a selected group of comparable companies.
9. Review and recommend to the Board the remuneration structure and policy for executive directors and key management personnel, the terms of employment or service contract, where relevant, any benefit, pension or incentive scheme entitlement, performance related bonuses, fees and expenses, compensation arrangement, and to review for changes to the policy, where necessary.
10. To reimburse reasonable expenses incurred by the directors in the course of their duties as directors.
11. To review annually the executive directors' service contracts.
12. To ensure the levels of remuneration be sufficiently attractive and be able to retain the Directors and key management personnel needed to run the Group successfully.
13. Ensure corporate accountability and governance in respect of the remuneration of the Directors and key management personnel and other relevant functions.

## **Reporting Procedures**

14. The remuneration of Directors shall be the ultimate responsibility of the Board after considering the recommendations of the Committee.
15. Directors do not participate in deliberation and decisions on their respective remuneration packages.