

WEIDA (M) BHD.

(Company No: 504747-W)

TERMS OF REFERENCE REMUNERATION COMMITTEE (“RC”)

1. ROLE OF THE RC

The RC is a sub-committee of the Board of Directors (“Board”), which assists the Board in determining the remuneration packages of executive directors in all its forms. Hence, it contributes towards strengthening the independence of the remuneration function, which ultimately improves corporate accountability and governance.

2. OBJECTIVES OF THE RC

- (a) To assist the Board in achieving corporate accountability and governance in respect of the remuneration for executive directors of the Company.
- (b) To serve as a “check and balance” mechanism for the Company with the objective:
 - to fairly reward the executive directors for their contributions to overall performance; and
 - that the compensation is reasonable in light of the Company’s objectives.

3. MEMBERSHIP

The RC members shall be appointed by the Board from amongst their numbers based on the recommendations of the Nominating Committee (“NC”), all of whom shall be non-executive directors in order to achieve a high degree of independence and objectivity thereby ensuring corporate accountability and governance.

The RC shall have at least three (3) members, majority of whom must be independent directors and should not be so large that efficiency is impaired.

If a member of the RC resigns, dies or for any reason ceases to be a member with the resulting number of members is reduced below three (3), the Board shall, within three (3) months of that event, appoint such number of new member as may be required to make up the minimum number of three (3) members, based on the recommendations of the NC.

Generally, members of the RC should not be any person having a relationship with the executive directors, which would interfere with the exercise of independent judgement in carrying out the function of the RC.

The appointment of a RC member terminates when the member ceases to be a director, or as determined by the Board.

The RC members shall have:

- a good knowledge of the Company and its directors, and a full understanding of shareholders’ concerns; and
- a good understanding, enhanced as necessary by appropriate training or access to professional advice, on/of areas of remuneration.

4. CHAIRMAN

The Chairman of the RC must be an independent director and shall be appointed by the Board, based on the recommendations of the NC.

5. SECRETARY

The Secretary of the RC shall be any one (1) of the joint company secretaries.

In the absence of the Secretary at the meeting, the RC members present at the meeting shall elect any other person as the Secretary of the meeting.

6. MEETINGS OF THE RC

(a) Chairman of the Meeting

The RC Chairman shall be the chairman of the meeting. In the absence of the RC Chairman, the members present shall elect one (1) of their members to chair the meeting.

(b) Meeting

The RC shall hold at least one (1) meeting a year. Additional meetings may be held as and when necessary, upon request by any RC member. Other members of the Board of Directors shall attend the meetings upon the invitation of the RC.

Notice of any meeting of the RC may be given by telephone or facsimile and the contemporaneous linking together by telephone or such other electronic communication of a number of the members being not less than the quorum shall be deemed to constitute a meeting of the RC wherever in the world they are, as long as:

- (i) the quorum of Committee is met;
- (ii) at the commencement of the meeting each member acknowledges the presence thereof to all the other members taking part and such participation shall be deemed to be present in person;
- (iii) each of the members taking part is able to hear each of them subject as hereinafter mentioned throughout the meeting;
- (iv) the members present at the commencement of the meeting do not leave the meeting by disconnecting the telephone, video conferencing or such other electronic devices, but the meeting shall be deemed to have been conducted validly notwithstanding that a member's telephone, video conferencing or such other electronic devices is unintentionally disconnected during the meeting and the proceedings thereof shall be deemed to be as valid as if the telephone, video conferencing or such other electronic devices had not been disconnected;
- (v) all information and documents are made equally available to all participants prior to or at/during the meeting; and

- (vi) minutes of the proceedings shall be sufficient evidence thereof and of the observance of all necessary formalities if signed and certified by the Chairman.

The decision of the Committee shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote, provided that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question in issue, the Chairman shall not have a casting vote.

(c) Notice and Agenda

With regard to the agendas of meetings, while there is a fixed one (1) in some cases, agendas can come from a number of sources, chiefly from the RC Chairman, the Group Executive Chairman, the Finance Director (if any) and RC members.

Notice of meeting and board papers shall be given to all RC members at least fourteen (14) days and five (5) business days respectively before the date of meeting.

The Secretary shall discuss with the Senior Management on the agenda item. The final agenda for the meeting will be approved by the RC's Chairman or in his absence, by any one (1) of the RC's members. The Secretary will inform/remind the relevant person to submit their report/materials on presentation to him at least eight (8) days before the date of meeting. In the case where the subject matter/agenda item is sensitive or otherwise confidential or in a state of flux, the report/materials/paper shall be directly circulated/presented at the meeting.

(d) Quorum

The quorum of the RC meeting shall be two (2) members, of which one (1) must be an independent director. For the purpose of determining whether the quorum for the transaction of the business of the Committee exists in the case of a meeting of Committee, in addition to the members present at the meeting, any member in telephonic, video conferencing or electronic communication with such meeting shall be counted in the quorum.

(e) Minutes

Minutes of each meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and shall be accepted as prima facie evidence without further proof of the facts stated therein. Such minutes of meetings shall be kept by the secretary and distributed to each member of the Committee. The Chairman of the Committee shall report on each meeting to the Board of Directors from time to time.

A resolution in writing signed by all RC members shall be deemed to have been passed at a meeting held on a date on which it was signed by the last member.

7. AUTHORITY

The RC is authorised by the Board to recommend to the Board the remuneration of the executive directors in all its forms. The actual decision as to the level of remuneration payable will be the responsibility of the full Board after considering the recommendations of the RC. It has unrestricted access to all of the Group's executive directors' records to enable it to discharge its duties. Executive directors should not be involved in the decisions making on their own remuneration.

The determination of the remuneration packages of non-executive directors, including non-executive Chairman should be a matter for the Board as a whole. The individuals concerned should abstain from discussion of their own remuneration.

The RC may consult the Chairman of the Board (if any) regarding proposals relating to the remuneration of executive directors. The RC may request other directors and key executives to participate in the meetings, as necessary, to carry out RC's responsibilities.

The RC shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board and at the cost of the Company. The RC is authorised by the Board to obtain external legal or other professional advice, as well as information about remuneration practices elsewhere.

The RC may, if it thinks fit, secure the attendance of external advisers with relevant experience and expertise, and shall have the discretion to decide who else other than its own members, shall attend its meetings.

The RC shall have no authority to act on behalf of the Board but shall have authority to examine all the issues at hand and to report back to the Board with recommendations. It shall be governed by its terms of reference duly approved by the Board and which may be amended from time to time by the Board.

8. DUTIES AND RESPONSIBILITIES OF THE RC

- (a) To review executive directors' remuneration packages, compensation and benefits programmes and make appropriate recommendations to the Board.
- (b) To recommend to the Board the quantum of bonuses, rewards and incentive structures for the executive directors.
- (c) To establish formal and transparent remuneration policies and procedures to attract, retain and motivate directors.
- (d) To consider other matters/functions as may be delegated by the Board from time to time.

9. REVIEW OF RC

The Nominating Committee shall review the term of office, performance and effectiveness of the RC and each of its members annually to determine whether the RC and its members have carried out their duties in accordance with RC's terms of reference.