

IBRACO BERHAD

(Company No. 011286-P)

Incorporated in Malaysia

REMUNERATION COMMITTEE

TERM OF REFERENCE

COMPOSITION

- a) The Committee shall consist of at least three (3) members, all of whom shall be duly appointed by the Board. An independent director shall act as Chairman of the Committee.
- b) The Committee shall comprise exclusively or a majority of non-executive directors.
- c) The membership of any member shall automatically terminate in the event that the member ceases to be a non-executive director in accordance with paragraph (b) above.

AUORITY

- a) The Board has constituted the Committee with the authorities necessary to perform the duties set out in these Term of Reference.
- b) The Committee, within the scope of its assigned duties, is authorised to seek any information it requires from employees, company officials and external parties.
- c) The Committee may engage advisers or otherwise obtain such independent legal or other professional services, as it requires, at the expense of the Company, with prior consent of the Board.
- d) The Board will provide the Committee with sufficient resources to undertake its duties, including access to the company secretariat.

SECRETARY

The Company Secretary shall be the secretary of the Committee.

MEETING

- a) The quorum necessary for the transaction of business shall be two of whom at least one must be an Independent Director.
- b) The Committee Chairman shall have a second or casting vote. However, where only 2 member (including Committee Chairman) are competent to vote on question at issue, the Committee Chairman shall not have a casting vote.
- c) The Committee shall meet at least once a year.
- d) Only the Committee members shall be entitled to participate in Committee meetings. Other members of the Board or key management personnel or any other person may attend the meeting of the Committee on the invitation of the Committee as the Committee shall deem fit and necessary.
- e) Meetings of the Committee shall be arranged by the Committee Secretary at the request of the Committee Chairman or any other member of the Committee.

- f) Notice of each meeting shall be forwarded to each Committee member and to other attendees (as appropriate) in advance together with an agenda and supporting papers. The Committee Secretary shall ensure that agenda and supporting papers are received by the Committee members in a timely manner.
- g) The Committee Secretary shall promptly circulate draft meeting minutes to the Committee Chairman for review and subsequently to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board, unless a conflict of interest exists.
- h) The Committee Chairman shall report the outcome of the Committee meeting to the Board and seek for approval or decision, if required.
- i) The Committee is allowed to exercise control on routine matters that require the Committee's recommendation through the dissemination of Committee Circular Resolution.

ANNUAL GENERAL MEETING

The Committee Chairman shall be available to answer questions on the Committee's activities at the Annual General Meeting of the Company.

DUTIES

Remuneration Policy

The Committee shall establish and agree with the Board the remuneration policy for the Executive Directors and senior management, ensuring that the remuneration policy is set at a competitive level for similar roles within comparable markets to recruit, attract, retain and motivate high calibre individuals to pursue the long-term growth and success of the Group.

The Board shall determine who are the personnel falling under senior management group.

Fees payable to Non-Executive Directors are deliberated and decided by the Board before they are presented for approval by shareholders at the Annual General Meeting.

Individual Remuneration Package

The Committee shall determine the individual remuneration packages for the directors and senior management based on the terms of the remuneration policy.

Incentive Plans

The Committee shall recommend compensation and other incentive plans to the Board for Directors and senior management, where appropriate.

Benefits

The Committee shall approve any changes to the benefit arrangements applicable to the Directors and senior management (subjected to shareholders' approval, where applicable).