
TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. COMPOSITION OF THE REMUNERATION COMMITTEE

- 1.1 The Remuneration Committee shall be appointed by the Board from amongst their number and shall consist not less than 3 members, wholly comprising of non-executive directors and a majority of whom are independent. The quorum for the meetings shall be constituted by any two members of the Committee, one of which should be an independent director.
- 1.2 Chairman of the Remuneration Committee shall be elected by the members of the Committee from amongst their number.
- 1.3 The appointment of a Committee member terminates when the member ceases to be a director, or as determined by the Board.
- 1.4 In the event of equality of votes, the Chairperson of the Committee shall have a casting vote (except where 2 directors form a quorum). In the absence of the Chairman of the Committee, the members present shall elect one of their number to chair the meeting.

2. OBJECTIVES OF THE REMUNERATION COMMITTEE

The general objectives of the Remuneration Committee shall be as follows:

- To recommend to the Board the remuneration of the Executive/Managing Director;
- To maintain a remuneration policy, which attracts, retains and motivates high caliber Directors; and
- To ensure that the remuneration policy appropriately compensates the contribution of the Executive/Managing Director to the performance of the Company.

3. DUTIES AND RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

3.1 The duties and responsibilities of the Remuneration Committee shall be to:

- Make recommendations to the Board on the remuneration framework for the Executive/Managing Director and determine the remuneration arrangements for individual Executive/Managing Director with consideration of the performance of the Director (Please refer to **Exhibit 10** for guidelines in determining Directors' remuneration);
- Review the remuneration framework and policy to ensure that these are applicable to the Company and reflective of the performance of the Company both in the short and long term;
- Recommend to the Board changes in remuneration, if required or in the event the present structure and remuneration policy are deemed inappropriate;
- Review and recommend to the Board regarding any proposed new employees' share option scheme and/or amendments to the existing scheme;
- Perform regular review of the competitiveness of the Company's remuneration structure and to keep itself fully informed of developments and best practices in the field of remuneration; and
- Remuneration of the Non-Executive Directors shall be determined by the Board collectively, where individuals concerned shall abstain from discussion of their own remuneration.

4. REMUNERATION COMMITTEE MEETING AND REPORTING PROCEDURES

The Remuneration Committee shall adopt the following procedures:

- The Remuneration Committee shall meet at least once a year, preferably towards the end of the calendar year to review the current framework to determine the following year's annual remuneration;
- The Company Secretary shall be the secretary of the Remuneration Committee;
- The Committee shall cause minutes to be entered in the books provided for purpose of recording all resolutions and proceedings of meetings of the Committee;
- Such minutes shall be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated;
- The Committee, through its Chairperson, shall report to the Board at the next Board of Directors' meeting after each Committee meeting. When presenting any recommendation to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision;

- The Committee shall provide such information to the Board as necessary to assist the Board in making a disclosure in the Annual Report;
- Minutes of each meeting shall also be distributed to all attendees of the Committee meetings and circulated and presented to all members of the Board for notation purposes at the Board meeting; and
- The books containing the minutes of the proceedings of any meetings of the Committee shall be kept by the Company at the registered office of the Company and shall be open to the inspection of any members of the Committee or the Board.

GUIDELINES FOR DETERMINING LEVEL OF REMUNERATION FOR DIRECTORS

The following is an example of guidelines for the Remuneration Committee and Board of Directors in determining the level of remuneration for individual Board members:

1. Consider the following factors when decision on the remuneration for Non-Executive Directors:
 - Experience of and contributions by the Director;
 - Level of responsibilities i.e. member of committees, any committee chairman position held; and
 - External comparison by looking at comparable roles in similar organizations in terms of size, market sector, business complexity and international scope.
2. Consider the following factors when decision on the remuneration for Executive Directors:
 - Experience of and contributions by the Director. For example, performance of the Company, meeting the objectives of the Board, individual Directors' performance against their goals set up-front;
 - Level of responsibilities i.e. number of committees/meetings to attend, any chairman position held, and executive functions held; and
 - External comparison by looking at comparable roles in similar organizations in terms of size, market sector, business complexity and international scope.
3. Fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover.
4. Salaries payable to Executive Directors may not include a commission on or percentage of turnover.
5. Fees payable to alternate Directors shall be deducted from the remuneration of the Director requiring the alternate Director.