



# **A-RANK BERHAD**

Registration No: 200301031200 (633621-X)  
(Incorporated in Malaysia)

## **TERMS OF REFERENCE – REMUNERATION COMMITTEE**

(V4-2024 - Approved by Board on 25 June 2024)

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## **1. COMPOSITION**

The members of the Remuneration Committee ("RC") shall be appointed by the Board from amongst their member, consisting only of Non-Executive Directors ("NEDs") with a majority of them being Independent Directors and shall consist of not less than three (3) members.

The members of the RC shall elect the Chairman from amongst their members.

If a member of the RC 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 of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

## **2. DUTIES AND RESPONSIBILITIES/REMUNERATION POLICY**

In fulfilling its primary objectives, the RC shall undertake the following responsibilities and duties, and report the same to the Board; where appropriate:

**(a) To review and recommend the remuneration for Executive Directors ("EDs") and Senior Management ("SM")**

The remuneration of the EDs and SM consist of basic salaries, bonuses and benefit-in-kind. The RC is responsible for reviewing and recommending the remuneration of each EDs and SM to the Board for approval and ensure the remuneration packages are:

- sufficient to attract and retain the EDs and SM needed to run the Group successfully;
- fairly rewarded for their individual contributions to the Group's overall performance;
- should be structured so as to link rewards to corporate and individual performance; and
- reflect the experience and level of responsibilities undertaken by the particular EDs and SM concerned.

SM who reports to the Managing Director and/or EDs are evaluated annually by the Managing Director and/or EDs. Thereafter, the Managing Director and/or EDs proposed their remuneration to the RC and RC will recommend to the Board for approval.

**(b) To review and recommend the remuneration for NEDs**

The remuneration of the NEDs consists of Directors' fees and benefits payable being meeting allowances.

**(c) To review and recommend the Directors' fees and benefits for Directors**

The determination of the Directors' fee and benefits for Directors is a matter for the Board as a whole, depending on any additional responsibilities taken. The Directors' fees and benefits for Directors are presented to the shareholders at the Annual General Meetings for their approval.

Based on the recommendation by the RC, the Board as a whole determines the remuneration of Executive and NEDs as well as the SM with individual Directors abstaining from decisions in respect of their individual remuneration.

### 3. MEETING, MINUTES AND PROCEDURE

Meetings are to be held as and when necessary, and at least once a year. The quorum for each meeting shall be two (2) members. Meetings of the Committee may be held and conducted through the telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

The Company Secretary shall be appointed as Secretary to the RC and in conjunction with the Chairman, shall draw up the agenda which shall be sent to all members of the RC and other persons who may be required/invited to attend.

The Managing Director and/or Executive Director may be invited to attend and make presentations at meetings, whenever business is not related to EDs' remuneration. The RC may appoint External Consultants to aid the RC in the discharge of its duties.

The RC decides its own procedures and other administrative arrangements. The Chairman of the RC reports to the Board after each RC meeting. Minutes of each meeting are kept by the Company Secretary as evidence that the RC has discharged its functions.

A resolution in writing signed by a majority of the RC members for the time being entitled to receive notice of meeting of the RC, shall be as valid and effectual as if it had been passed at a meeting of the RC duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more RC members. Any such document may be accepted as sufficiently signed by a RC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a RC member.

### 4. REMUNERATION FRAMEWORK

The following table summarises the main elements that form the remuneration packages of EDs, NED and SM:

Category	Description	Nature	Beneficiary
Directors' Fee	A fixed amount of fee payable to the Directors on a yearly basis.	Fixed	EDs, NEDs
Meeting Allowance	Each member of the Board and Audit Committee will be paid an allowance of RM500.00 per attendance for attending the Board and Audit Committee meetings.	Fixed	EDs, NEDs
Basic Salaries	A monthly salary payment.	Fixed	EDs, SM
Benefits-In-Kind	Benefits provided to the EDs and SM such as Company car, Driver, Handphone, Clubhouse Membership and etc.	Fixed	EDs, SM
Bonus	A variable sum payable to EDs and SM that is linked to the Company and individual performance for a year.	Performance Based	EDs, SM

## **5. REVIEW**

This Terms of Reference is approved and adopted by the Board of Directors and the RC of A-Rank Berhad on 25 June 2024. The RC will review the Terms of Reference periodically, and discuss any changes that may be required and recommended any such changes to the Board for consideration and approval.