



**A-RANK BERHAD**

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

# **TERMS OF REFERENCE – REMUNERATION COMMITTEE**

(V5-2025 - Approved by Board on 24 June 2025)

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## **1. COMPOSITION**

The members of the Remuneration Committee ("RC" or "Committee") shall be appointed by the Board from among 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) Review and recommend the remuneration for Executive Directors ("EDs") and Senior Management ("SM")**

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) Review and recommend the remuneration for NEDs**

The RC shall review and recommend the remuneration of the NEDs consists of Directors' fees and benefits such as meeting allowances, based on their roles and responsibilities.

### **(c) 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 written resolution signed by a majority of the Committee members who are eligible to receive notices is considered valid, just like a resolution passed in a meeting. The resolution may consist of multiple copies, each signed by one (1) or more Committee members. Signatures sent by telex, telegram, facsimile, email or other electrical or digital means are acceptable, provided they include the RC member's signature.

### **4. REMUNERATION FRAMEWORK**

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

<b>Category</b>	<b>Description</b>	<b>Nature</b>	<b>Beneficiary</b>
Directors' Fee	Fixed annual fee payable for Directors.	Fixed	EDs, NEDs
Meeting Allowance	RM1,000 per Board meeting attended.	Fixed	EDs, NEDs
Basic Salaries	Monthly salary.	Fixed	EDs, SM
Benefits-In-Kind	Company car, Driver, Mobile phone, Clubhouse Membership and etc.	Fixed	EDs, SM
Bonus	Variable component based on Company and individual performance.	Performance Based	EDs, SM

### **5. REVIEW**

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.

This Terms of Reference is approved and adopted by the Board of Directors and the RC of A-Rank Berhad on 24 June 2025.