



ECONPILE HOLDINGS BERHAD
(1017164-M)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. OBJECTIVE

The primary objective of the Remuneration Committee (“RC”) is to provide recommendations on remuneration packages and benefits for Executive Directors, Non-Executive Directors and Key Senior Management to attract, retain and motivate Directors and Key Senior Management to drive long term objectives.

2. MEMBERSHIP AND COMPOSITION

- (a) The RC shall be appointed by the Board of Directors (“the Board”) from amongst the Directors of the Company and shall consist of not less than three (3) members.
- (b) All members of the RC must be Non-Executive Directors, with a majority of them must be independent and any person not having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgement in carrying out the functions of the RC. The appointment of RC member terminates when he/she ceases to be a Director of the Company, or as determined by the Board.
- (c) The Chairman of the RC shall be a Non-Executive Independent Director appointed by the Board.
- (d) No alternate director shall be appointed as a member of the RC.
- (e) In the event of any vacancy in the RC resulting the number of RC members being reduced to below three (3), the Board must fill the vacancy within three (3) months.

3. CHAIRMANSHIP

The Chairman shall be responsible for ensuring that the entire Board is kept regularly informed about the RC’s work and, where necessary, must submit matters to the Board for decision.

4. MEETINGS AND ADMINISTRATIVE MATTERS

- (a) The RC shall meet at least once during a financial year. Additional meetings may be held as decided by the Chairman.
- (b) The RC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables the RC members to participate for the entire duration of the meeting, and that all information and documents for the meeting must be made available to all members prior to or at the meeting.
- (c) The quorum for each RC meeting shall be at least two (2) members, one of whom must be an Independent Director. If at any meeting, the Chairman of the RC is not present within fifteen (15) minutes of the time appointed for holding the same, the members of the RC present shall choose one of their number who shall be an Independent Director to chair that meeting.
- (d) Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote PROVIDED THAT where two (2) members form a quorum, the chairman of the meeting at which only such a quorum is present, or at which only two members are competent to vote on the question at issue, shall not have a casting vote.
- (e) The RC may extend an invitation to other board members, Management or employees to attend the RC meetings as it deems necessary.
- (f) The Company Secretary or such substitute as appointed by the Board or the RC from time to time shall be the Secretary of the RC. The Secretary shall be entrusted to record all proceedings and minutes of all meetings of the RC.
- (g) The Chairman of the RC shall report to the Board of Directors on its proceedings after each meeting on matters within its duties and responsibilities. The RC shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- (h) In the event the RC require matters to be approved by way of a written resolution, a resolution in writing signed or approved by letter or telefax or other electronic means by all members 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 be executed in any number of counterparts, each signed by one or more members of the RC all of

which taken together and when delivered to the Secretary shall constitute one and the same resolution.

- (i) The notice of the RC meetings and meeting materials shall be circulated at least five (5) business days before each meeting to members of the RC. Except in the case of an emergency, reasonable notice of every meeting shall be given in writing and the notice of each meeting shall be served to the RC members either personally or by fax or e-mail, fax, or by post or by courier to his/her registered address as appearing in the Register of Directors or to the address provided by the RC member, as the case may be.
- (j) The minutes of meetings must be reviewed by the Chairman of the RC before circulation to the rest of the members of the RC.
- (k) The Company shall cause minutes of all proceedings of the RC meetings to be entered in books kept for that purpose. Minutes of each meeting signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting shall be evidence of the proceedings to which it relates. The books containing the minutes of proceedings of the RC meetings shall be kept by the Company at the Registered Office and shall be open for inspection by any member of the Board of Directors.

5. RIGHTS AND AUTHORITY

The RC shall, in accordance with the procedures determined by the Board and at the cost of the Company:

- (a) have the right to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company and the Group; and
- (d) be able to obtain independent professional or other advice.

The RC shall not have delegated powers from the Board to implement its recommendations but should be obliged to report its recommendations back to the Board for approval.

6. DUTIES AND RESPONSIBILITIES

The duties of the RC shall include the following:

- (a) recommend policies and procedures for the remuneration of the Executive Directors and the entire individual remuneration packages (including but not limited to compensation payments, share options, profit sharing schemes) for Executive Directors;

- (b) recommend policies and procedures for the remuneration of the Key Senior Management;
- (c) review the KPIs, performance and reward for Executive Directors and Key Management Personnel annually to ensure that their remuneration packages are formulated to be performance-based and reflective of their contributions of the Group's growth and profitability;
- (d) review the individual remuneration packages of the Executive Directors annually to ensure that the Executive Directors are fairly rewarded for their individual contributions to the Group's overall performance and the levels of remuneration should be sufficient to attract and retain Directors to run the Group successfully;
- (e) review and recommend to the Board the total individual remuneration package for Key Senior Management including, where appropriate, bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance;
- (f) prepare annual remuneration report;
- (g) review and recommend the remuneration of Non-Executive Directors to the Board;
- (h) communicate with shareholders on executive remuneration;
- (i) review and design of all share incentive plans for approval by the Board and shareholders; and
- (j) advise the Board to seek shareholders' approval for any new long-term incentive schemes.

The remuneration package of Non-Executive Directors should be determined by the Board as a whole.

In the event that the remuneration package of a RC member is to be discussed, the member concerned should abstain from the discussion of his/her own remuneration package.

The RC shall review its Terms of Reference periodically and recommend to the Board, any changes it deems necessary.

This Terms of Reference of the RC is reviewed and approved by the Board on 29 August 2018.