

AMVERTON<sub>BERHAD</sub>

**TERMS OF REFERENCE  
FOR REMUNERATION  
COMMITTEE**



Updated as at 20th April 2018

## **Terms of Reference for Remuneration Committee**

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### **1. Objectives**

The Remuneration Committee is established to assist the Board in determining the remuneration related to the members of the Board and employees of the company in order to run the Company successfully.

### **2. Policies and Procedures**

- 2.1 The component parts of remuneration are structured so as to link rewards to corporate and individual performance, in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned.
- 2.2 Executive Directors should play no part in decision on their own remuneration. It is, nevertheless, the ultimate responsibility of the entire Board to approve the remuneration of these Directors.
- 2.3 Non-Executive Directors' fees are determined by the Board as a whole with the Director concerned should obtain from discussion of their own remuneration.
- 2.4 Non-Executive Directors receive a base fixed Director's fee and/or meeting allowance for each Board and general meetings that they attend.
- 2.5 The Remuneration Committee evaluates the remuneration packages of senior management executives and recommends for the Board's approval, the framework of executive remuneration of the Executive Director's remuneration package, which

comprise a fixed components (in the form of a base salary and, where applicable, fixed allowance determined by Human Resource policies) and variable components (which would normally comprise bonuses) together with benefits-in-kind, if any, which is determined by the Group's overall financial performance in each financial year which are designed to reward performance that supports our strategy and creates sustainable long term value for shareholders.

### **3. Composition**

#### **Member**

- 3.1 The Remuneration Committee comprises three (3) members, of which the majority shall be Independent Non-Executive Directors.
- 3.2 The Board has in a place a Remuneration Committee which comprising a majority of Non-Executive Directors.

#### **Chairman**

- 3.3 The Chairman of the Remuneration Committee shall be elected from amongst the Remuneration Committee members. The Chairman of the Committee shall be approved by the Board of Directors. The Chairman of the Remuneration Committee shall be an Independent Non-Executive Director.

#### **Secretary**

- 3.4 The Company Secretary of the company shall be the secretary of the Remuneration Committee.

#### **4. Functions and Responsibilities**

The functions of the Remuneration Committee are as follows:

- 4.1 To review and recommend to the Board the appropriate remuneration packages for the executive directors of the Company, with or without other independent professional advice or other outside advice;
- 4.2 To ensure the levels of remuneration be sufficiently attractive and be able to retain directors needed to run the Company successfully;
- 4.3 To determine the composition of the various types of components of remuneration such as basic salary, bonus and other benefits in kind for executive directors;
- 4.4 To structure the component parts of remuneration so as to align with the business strategy and long-term objectives of the Company and to link rewards to individual performance; and
- 4.5 To act in line with the directions of the Board of Directors.
- 4.6 Review and if deemed appropriate, endorse for the Board's approval, the annual bonus and salary increment framework for the Group, including the total quantum of payment.
- 4.7 Periodically review the remuneration framework, policies and procedures.

#### **5. Meeting**

The Committee shall meet together for the dispatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairman shall call for additional meetings at any time at the Chairman's discretion.

For the Committee's meetings (except in the case of an emergency), reasonable notice shall be given in writing to all the Members of the Committee. In the absence of the Chairman, the members shall be elected from amongst themselves the Chairman for the Meeting.

Every meeting of the Committee shall be recorded either by the Company Secretary or any other person approved by the Committee to take minutes and such minutes shall be signed by the Chairman of the Meeting as evidence that the meeting was duly convened and held.

The notice and agenda of each meeting shall be sent to all members of the Committee and any other persons that may be required to attend. Minutes of each meeting shall be kept and distributed to each member of the Committee and of the Board. The Committee shall report and may make such recommendations to the Board on matters within the powers vested in it by the Board, as it may think fit.

## **6 Quorum**

A quorum shall consist of at least two (2) members.