

# **PUNCAK NIAGA HOLDINGS BERHAD**

[199701000591 (416087-U)]

## **REMUNERATION COMMITTEE**

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### **TERMS OF REFERENCE**

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#### **1. COMPOSITION**

The Board shall elect a Remuneration Committee from amongst themselves (pursuant to a resolution of the Board of Directors), comprising at least three (3) Directors, all of whom shall be Independent Non-Executive Directors of the Company.

The members of the Remuneration Committee shall elect a Chairman from amongst themselves. It would be advantageous if the Chairman possesses sufficient calibre, a strong personality and good leadership skills.

All members of the Remuneration Committee, including the Chairman shall hold office only so long as they serve as Director of the Company. Should any member of the Remuneration Committee cease to be a Director of the Company, his membership in the Remuneration Committee shall cease forthwith.

If the members of the Remuneration Committee for any reason be reduced to below three (3), the Board of Directors shall within three (3) months of the event, appoint such number of new members as may be required to make up the minimum of three (3) members.

The Secretaries to the Remuneration Committee shall be the Company Secretaries.

The membership of the Remuneration Committee together with the responsibilities and matters discussed at the meetings of the Remuneration Committee shall be disclosed in the Company's Annual Report.

#### **2. OBJECTIVES**

The primary objectives of the Remuneration Committee are:-

- (i) To establish and annually review the remuneration packages for each individual Executive Directors such that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Company successfully and aligned to the business strategy and long term objectives of the Company.

- (ii) To establish and review the Directors' Remuneration Policy for the Board of Directors and Senior Management taking into account the demands, complexities and performance of the Company as well as skills and experience required.
- (iii) To review the fees and benefits payable to the Directors including any compensation for loss of employment of a director or a former director.
- (iv) The Remuneration Committee shall make its recommendation to the Board and the respective Directors shall abstain from the discussion of their own remuneration.

The levels of remuneration of the Executive Directors should reflect their experience, level of responsibilities, expertise and complexity of the Company's activities and contribution to the Company.

- (v) To consider and examine such other matters as the Remuneration Committee considers appropriate.

### **3. ACCESS TO RECORDS**

In carrying out their duties and responsibilities, the Remuneration Committee shall in principle have:-

- (a) full, free and unrestricted access to all Company records, property and personnel; and
- (b) access to independent professional advice and expertise necessary for the performance of its duties at the expense of the Company.

### **4. MEETINGS AND MINUTES**

The Remuneration Committee shall hold a minimum of one (1) meeting a year, although additional meetings may be called at any time at the Chairman's discretion. The Notice of Meeting shall, unless waived by the members, be sent at least seven (7) days before the time set for the meeting together with an agenda to all members of the Committee and any person that may be required to attend. The quorum for each meeting shall be two (2) members and the decision of the Remuneration Committee shall be unanimous.

Minutes of each meeting shall be kept and distributed to each member of the Committee and also to the members of the Board. The Committee Chairman shall report on each meeting to the Board.

A circular resolution in writing signed by all members of the Remuneration Committee shall be valid and effective as if the same has been passed at a meeting of the Remuneration Committee duly convened.

The Committee Chairman shall answer the shareholders' queries, if any, on matters related to the Remuneration Committee at the Company's Annual General Meetings.