

**TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

**1. OBJECTIVE**

The principal objective of the Remuneration Committee (“the Committee”), in line with the Malaysian Code of Corporate Governance 2017, is to recommend to the Board the remuneration package of Executive Directors, Chief Executive Officer (“CEO”)/Managing Director (“MD”), Non-Executive Directors and Senior Management of the Company and its subsidiaries (the “Group”) to attract, retain and motivate Directors and Senior Management.

**2. COMPOSITION**

The Board of Directors shall elect the Committee members from amongst themselves and all of the members of the Committee must be Non-Executive Directors and a majority of whom are Independent Directors free from any business or relationship that in the opinion of the Board would materially interfere with the exercise of his/her independent judgement as a member of the Committee.

The Chairman of the Committee shall be a Non-Executive Director appointed by the Board. In the absence of the Chairman, the remaining members present shall elect a Chairman for the meeting from amongst themselves.

**3. SECRETARY**

The Company Secretary or his/her representative or other appropriate senior officer shall act as Secretary of the Committee and shall be responsible, amongst others, drawing up meeting agendas in consultation with the Committee Chairman and circulate the agendas together with the relevant papers at least five (5) business days prior to each meeting to enable full and proper consideration be given to issues in attendance of each Committee meeting and responsible for keeping the minutes of meetings of the Committee at the registered office of the Company. The minutes shall be available for inspection by the Board if required.

**4. QUORUM AND VOTING**

The quorum for all meetings of the Committee shall not be less than two (2) members.

All resolutions of the Committee shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the meeting shall have a second or casting vote.

**5. MEETINGS**

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

The Group MD/CEO, Senior Management and other management personnel, external professional advisers or whoever deemed necessary may be invited to attend meetings to discuss the performance of Executive Directors and Senior Management and make proposals as necessary. Executive Directors and Senior Management should play no part in decisions on their own remuneration.

The Committee members may participate in a meeting by means of telephone conference, video conference or other communications devices or any technologies that allow all members a reasonable opportunity to participate in the meeting. Such participation in a meeting shall constitute presence in person at such meeting.

A resolution in writing, signed by all the members of the Committee for the time being entitled to receive notice of and to attend a Committee meeting, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members. Any such document, may be accepted as sufficiently signed by a Committee member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message purporting to include a signature of a Committee member.

The Secretary shall on the requisition of the members of the Committee summon a meeting of the Committee and, except in the case of an emergency, reasonable notice of every Committee meeting shall be given in writing.

**6. ADVISERS**

The Committee is authorized by the Board to seek appropriate professional advice inside and outside the Group as and when it considers this necessary in discharge of its duties, at the expense of the Company, subject to the Board's approval.

**7. AUTHORITY**

The Committee shall be entitled to the services of the Company Secretary who must ensure that all decisions made on remuneration packages of the Executive Directors, Non-Executive Directors and Senior Management be properly recorded and minuted in the minutes book.

The proposed remuneration packages of Non-Executive Directors are to be presented to the Committee for notation only as to be proposed to the Board and the shareholders at Annual General Meeting as relevant.

The determination of remuneration packages of Executive Directors and Non-Executive Directors should be a matter for the Board as a whole where the individuals concerned shall abstain from discussion of their own remuneration.

There should be a formal and transparent remuneration policies and procedure for developing policy on Executive Directors', Non-Executive Directors', CEO/MDs' and Senior Management personnel's remuneration and for fixing the remuneration packages of individual Directors.

The Committee shall take into cognisance in its deliberations the ACE Market Listing Requirements of Bursa Securities and the Malaysian Code on Corporate Governance 2017, and any other pertinent regulations and laws, as well as revisions which may come into force from time-to time.

## **8. RESPONSIBILITIES AND DUTIES**

The duties and responsibilities of the Committee are as follows:-

### For remuneration purpose

- 8.1 Establish and recommend the remuneration structure, policy and procedures for Executive Directors, Non-Executive Directors, CEO/MD and Senior Management personnel which should be disclosed in the Annual Report; the terms of employment or contract of employment/service, any benefit, pension or incentive scheme entitlement; other bonuses, fees and expenses; any compensation payable on the termination of the service contract by the Company and/or the Group and to review for changes to the policy, as necessary. The Executive Directors and key management personnel should play no part in decisions involving their own remuneration. The Board shall determine who its Senior Management are.
- 8.2 Ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration forming a significant proportion of the total remuneration package of Executive Directors and Senior Management.
- 8.3 The level of remuneration should be aligned with the business strategy and long-term objectives of the Company, complexity of the Company's activities, and reflects the expertise, experience and level of responsibilities undertaken by the Executive Directors, Non-Executive Directors, CEO/MD and Senior Management.
- 8.4 Review and recommend the entire individual remuneration packages for each of the Executive Directors, Non-Executive Directors, CEO/MD and Senior Management to ensure the levels of remuneration be sufficiently attractive and be able to retain high calibre Directors to run the Company successfully.

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- 8.5 Pursuant to Section 230 of the Companies Act 2016, the fees of the directors and any benefits payable to the Directors including any compensation for loss of employment of a director or former director of the Company shall be approved at a general meeting.
- 8.4 Review with the CEO/MD and the Executive Directors, their performance against these objectives as well as contribution to the corporate strategy.
- 8.5 Consider and review any renewal of service contracts of the Executive Directors as and when due, as well as any service contracts and remuneration package for newly appointed Executive Director(s) prior to their appointment.
- 8.6 Review and recommend to the Board regarding any proposed new employees' share scheme to be given to the Directors, Senior Management and/or amendments to the existing scheme.
- 8.7 Consider and examine such other matters as the Committee considers appropriate.
- 8.8 Consider other matters as referred to the Committee by the Board.

**9. MINUTES**

The Minutes of meetings of the Committee shall be circulating within a reasonable period to all Committee members and presented to the Board.

**10. PERIODIC REVIEW**

This Term of Reference shall be reviewed annually by the Committee and any revision or amendment proposed shall be presented to the Board for approval.

Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and shall be considered duly revised or amended.

**11. APPROVAL**

This Terms of Reference is reviewed and approved by the Board of Directors on 26 February 2018.