

AJIYA BERHAD

Registration No. 199601005281 (377627-W)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. OBJECTIVE

The Remuneration Committee ("RC") assists the Board in the development and implementation of the policies on the remuneration of Directors and Key Senior Management of the Company and its subsidiaries (the "Group").

2. MEMBERSHIP

- 2.1 Members of the RC shall be appointed by the Board from among their members, and shall consist of not less than three (3) members. The RC shall comprise exclusively of Non-Executive Directors, a majority of whom must be independent.
- 2.2 The members of the RC shall elect a Chairman from among their number who shall be an Independent Director.
- 2.3 The Chairman of the Board shall not be a member of the RC.
- 2.4 The membership of the Committee shall be terminated upon the cessation of him/her as a Director of the Company, or as determined/revoked by the Board.

3. MEETING

3.1 Chairman

- a) All meetings shall be chaired by the Chairman. If the Chairman is absent at any meeting, the other members of the RC shall amongst themselves elect a Chairman who must be an Independent Director to chair the meeting.
- b) The Chairman of the RC shall report to the Board summary of significant matters and resolutions made within its purview, for the Board's attention or approval.

3.2 Secretary

- a) The Company Secretary shall be the secretary to the Committee.
- b) The Secretary is responsible for drawing up the meeting agenda in consultation with the Chairman of RC and distribute it to all members together with the papers to be deliberated at the meeting.

3.3 Quorum

The quorum for each meeting shall be a majority of its members.

3.4 Conduct of Meeting

- a) The Committee shall meet at least once a year and at such other times as it deems necessary.
- b) The RC may, as and when deemed necessary, invite other Board members, Management members and any other person deemed necessary to attend the meetings.

- c) Members of the Committee may participate in the RC meeting by means of teleconference, video conference or any other form of audio/visual communication and such participation shall constitute and be deemed to be present in person.
- d) Questions arising at any meeting of RC shall be decided by a majority of votes.
- e) In the event of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
- f) A member shall be abstained from deliberations and voting in respect of any matter in which he/she has direct or indirect interest.
- g) Where necessary and appropriate, decision of the RC can be made or passed by way of a written circular resolution. A resolution in writing signed or approved in any form of electronic communications by a majority of all members shall be valid and effectual as if it had been passed at a meeting of RC duly convened and held. Any such resolution may consist of several documents in the like form, each signed by one or more members.

3.5 Minutes

- a) The Secretary shall ensure that a formal record of Committee proceedings and minutes are maintained.
- b) The minutes of each RC meeting shall be tabled to the Board for notation.

4 AUTHORITY

In carrying out its duties and responsibilities, the RC shall,

- a) have full and unrestricted access to the Company's records, properties, personnel and other resources.
- b) seek the external professional advice if considers necessary at the Company's expenses.

5 RESPONSIBILITIES

The responsibilities of the RC include:

- a) Recommend to the Board on the Group's Remuneration Policy and remuneration components structure for of Directors and Key Senior Management which includes but not limited to fees, salaries, allowances, bonuses and benefit-in-kind.
- b) Ensure the following principles are taken into consideration in proposing an appropriate level of remuneration packages:-
 - Performance measures and targets are aligned with the business strategies and long term objective of the Group as well as the Group's performance in managing material sustainability risks and opportunities.
 - Remuneration and rewards are commensurate with individual performance and company performance.
 - The remuneration packages remain competitive with relevant industry and market practices.
 - The remuneration for Independent Directors should not conflict with their obligation in bringing objectivity and independent judgement on matters discussed.

- c) Recommend to the Board the remuneration of Executive Directors, Chief Executive Officer and where appropriate, the Key Senior Management.
- d) Recommend to the Board the remuneration of Non-Executive Directors (“NED”). The remuneration of NED shall appropriately reflect the Directors’ fiduciary duties and time commitment undertaken by the NED.
- e) Recommend compensation for any loss of office payable to any Director or former Director to ensure that they are consistent with contractual terms (if any) and appropriate to their level of responsibilities.
- f) Ensure no Directors shall participate or vote on the deliberations and decisions concerning his or her own remuneration.
- g) Oversee the qualitative and quantitative disclosures of remuneration made in the Annual report and/or other reports as required by the authorities from time to time.

6. REVIEW

The Terms of Reference shall be reviewed periodically or as and when necessary. Any proposed amendments shall be approved by the Board.