

## **TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

### **1. COMPOSITION**

- 1.1 The Remuneration Committee (“the Committee”) of Perisai Petroleum Teknologi Bhd (“PERISAI” or “the Company”) shall be appointed by the Directors from among themselves and shall comprise wholly or mainly of Non-Executive Directors, majority of them must be Independent Directors.
- 1.2 The Chairman of the Committee shall be a Non-Executive Director appointed by the Board. Only members of the Committee have the right to attend committee meetings. However, other individuals such as the chief executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

### **2. OBJECTIVE**

- 2.1 The objective of the Committee is to set the policy framework and to make recommendations to the Board on all elements of the remuneration, terms of employment, reward structure and fringe benefits for Managing Directors, Executive Directors, Chief Executive Officers and other selected top management positions with the aim to attract, retain and motivate individuals of the highest quality and caliber.

Executive Directors shall abstain from the deliberations and voting on decisions in respect of their remuneration package.

- 2.2 The remuneration and entitlements of the Non-Executive Directors including the Non-Executive Chairman shall be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration.

### **3. ANNUAL GENERAL MEETING**

- 3.1 The Chairman of the Committee should attend the Annual General Meeting to answer any shareholder questions on the Committee’s activities.

#### 4. **AUTHORITY**

- 4.1 In carrying out its duties and responsibilities, the Committee will in principle have access to Perisai's records, properties and personnel. The Committee may obtain the advice of external consultants at the Company's expense on the appropriateness of remuneration package and other employment conditions if required.
- 4.2 The Committee will review the compensation of the Managing Director and Executive Directors and recommend appropriate adjustments to the Board of Directors for their approval.

#### 5. **DUTIES AND RESPONSIBILITIES**

- 5.1 The following are the main duties and responsibilities of the Committee collectively. These are not exhaustive and can be augmented if necessary by Board's approval:-
- a) Setting the remuneration policy for all Executive Directors and senior management;
  - b) In determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements. The objective of remuneration policy is to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long strategic term goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company.
  - c) Review and recommend to the Board the remuneration of Executive Directors, Non-Executive Directors and senior management in all forms;
  - d) Review the remuneration package for the Non-Executive Directors, the committees and senior management to be aligned with their responsibilities and contribution;
  - e) Review at least once a year the performance of the Executive Directors, the Managing Director /Chief Executive Officer and senior management and recommend to the Board specific adjustments in remuneration and/or reward payments if any reflecting their contributions for the year;

- f) Ensure that the remuneration packages are determined on the basis of the Directors' and senior management's merit, qualification and competence, having regard to the Company's operating results, affordability, individual performance and comparable market statistics;
- g) Ensure that the level of remuneration to be aligned with the business strategy and long-term objectives of the Company, complexity of the Company' activities and reflects the experience and level of responsibilities undertaken by the Directors and senior management; and
- h) Recommend the engagement of external professional advisors to assist and/or advise the Committee, on remuneration matters, where necessary.

## 6. MEETINGS

- 6.1 The Committee shall meet at least once a year. The Committee will meet as and when required and report to the Board after each meeting.
- 6.2 The Committee Meetings shall be chaired by the Chairman of the Committee. In the absence of the Chairman of the Committee, the members present shall elect from among themselves, a Chairman for the Meeting. The Chairman also has the discretion to call for additional meetings at any time. The quorum for each meeting shall be two (2) members. All recommendations and findings of the Committee shall be submitted to the Board of Directors for approval. In the absence of a meeting, any issues shall be resolved through circular resolution.
- 6.3 The Company Secretary or his/her representative shall act as the Secretary of the Committee.
- 6.4 The Managing Director (if not a member of the Committee) and/or other appropriate officers may be invited to attend where their presence is considered appropriate as determined by the Committee Chairman.
- 6.5 Attendance at a meeting may be in person or by way of participation via video conference or teleconference or such other means as may be agreed by the members.
- 6.6 A resolution in writing, signed by all the members of the Committee, 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.

**7. REPORTING RESPONSIBILITIES**

- 7.1 The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters with its duties and responsibilities.
- 7.2 The Committee shall make whatever recommendation to the Board it deems appropriate or any area within its remit where action or improvement is needed.

**8. MINUTES**

- 8.1 The minutes of meetings of the Committee shall be circulated to all members of the Board in a timely manner. The minutes shall be kept at the registered office of the Company under the custody of the Secretary of the Company and shall be open for inspection by the Board. Any request by Management or other persons to inspect the minutes shall be subject to the approval of the Committee.
- 8.2 A resolution in writing, signed by all the members of the Committee, 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. The Company Secretary or his/her representative or other appropriate senior officer shall act as Secretary of the Committee.

**9. REVISION OF THE TERMS OF REFERENCE**

- 9.1 Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party, shall be presented to the Board for its approval.
- 9.2 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.
- 9.3 The duly revised or amended Terms of Reference shall be published on the Company's website.

Dated this: 27<sup>th</sup> September 2018

Approved by:

The Board of Directors of  
Perisai Petroleum Teknologi Bhd