



**MIECO CHIPBOARD  
BERHAD**

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

### **OBJECTIVES**

The principal objective of the Remuneration Committee (“RC”) of Miecoco Chipboard Berhad (“MIECO”) is to establish a documented, formal and transparent policy and procedure to support and advise the Board of Directors (the “Board”) and to recommend the remuneration package of the Executive Directors, Non-Executive Directors and Key Senior Management to the Board for approval, with each Director concerned abstaining from any decision as regards his/her remuneration.

### **MEMBERSHIP**

- a) The RC shall be appointed by the Directors from amongst their members and shall comprise not fewer than three (3) in number.
- b) The member of RC shall be non-executive directors, a majority of whom are independent.
- c) If a member of the RC resigns or for any other reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.
- d) The membership of the RC shall be terminated upon the cessation of him/her as a Director of the Company, or as determined by the Board.

### **CHAIRMAN**

The members of the RC shall elect a Chairman from amongst themselves who shall be an Independent Director of the Company.

### **DUTIES AND RESPONSIBILITIES**

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

- a) to review and recommend to the Board the remuneration policy and procedures for the Executive Directors, Non-Executive Directors and Key Senior Management, taking into account the demands, complexities as well as skills and experience required in order to attract and retain them to drive the company’s long term objective;

- b) to review annually the performance of the Executive Directors and Key Senior Management and recommend to the Board on specific adjustments in the remuneration package and/or reward payments if any, and ensure the remuneration packages are aligned with the business strategy and long-term objective of the Company and also reflect the Board's responsibilities, expertise and complexity of the Company's activities;
- c) to review and recommend to the Board the fee and benefit payable to the Non-Executive Directors annually, and ensure that the level of fee and benefit payable of Non-Executive Directors are linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board;
- d) to consider and examine such other matters as the RC considers appropriate or delegated by the Board from time to time.

## **RIGHTS OF THE RC**

Wherever necessary and reasonable for the performance of its duties, the RC shall in accordance with the procedure to be determined by the Board and at the cost of the Company to: -

- a) have authority to investigate any matter within its terms of reference;
- b) have the resources which are required to perform its duties; and
- c) have full and unrestricted access to any information required to perform their duties.

## **MEETINGS AND MINUTES OF THE RC**

- a) The RC shall meet not less than once a year and at such other times as the Chairman of the RC considers necessary or appropriate. The Chairman may call for additional meetings at any time at the Chairman's discretion.
- b) The quorum for the RC meeting shall consist at least of two (2) members.
- c) Any persons other the members of the RC may attend the RC meeting only at the invitation of the RC.
- d) The Company Secretary shall act as Secretary of the RC and shall be responsible for drawing up the agenda after deliberation with the RC Chairman and circulating it together with other supporting explanatory documentation to the RC prior to each meeting.
- e) The Secretary shall on the requisition of the members of the RC summon a meeting of the RC except in the case of an emergency, reasonable notice of every RC meeting shall be given in writing.
- f) The minutes of the RC meeting shall be prepared by the Secretary and extended to the Board for notation.
- g) Resolutions, proposals, and matters tabled for approvals at the RC meeting shall be decided by a simple majority of the members present. In the event of equality of votes, the Chairman of the RC shall have a second or casting vote.

- h) The RC is allowed to carry out its resolutions by way of circulation. A resolution in writing signed or approved by letter, electronic mail, telegram, telex or telexfax or other form of electronic communication by a simple majority of the RC, shall be valid and effectual as if it had been passed at a meeting of the RC duly called and constituted.

All such resolutions shall be described as “Members’ Circular Resolutions” and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the minutes book.

## **REVIEW OF THE TERMS OF REFERENCE**

The members of the Committee will assess, review and update the terms of reference periodically or as and when there are changes to the regulatory requirements, direction or strategies of the Company that may affect the Committee’s role. The RC will recommend the changes for the approval of the Board.

**Revised on 24 June 2022.**