



KIMLUN CORPORATION BERHAD

Registration No. 200901023978 (867077-X)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

A. Composition and Membership

The Remuneration Committee (“RC”) shall be appointed by the Board of Directors (“Board”) and shall consist of not less than three (3) members of which comprising exclusively Non-Executive Directors, majority of whom must be Independent Directors.

The Chairman of the Board must not be a member of the RC.

In the event of any vacancy in the RC resulting in the non-compliance of the above, the Board shall take steps to fill the vacancy within three (3) months of the event.

The Board must review the term of office and performance of the RC and each of its members annually to determine whether the RC and members have carried out their duties in accordance with their Terms of Reference (“TOR”).

B. Chairperson

The members of the RC shall elect a Chairperson among themselves.

C. Secretary

The Company Secretaries of the Company or such substitute as appointed by the Board from time to time shall act as the Secretary of the RC during the term of his/her appointment.

D. Duties and Responsibilities

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

- (1) Develop and implement a fair and transparent remuneration policy for Directors and Senior Management which takes into account of their roles and responsibilities, the demands, complexity and performance of the Group including in managing material sustainability risks and opportunities as well as skills and experience required.
- (2) Regularly review the remuneration policy and recommend amendments as appropriate to align with the market practices and requirements of the Malaysian Code on Corporate Governance and any other new requirements for the Board’s consideration and approval;

- (3) Review the performance of Executive Directors and Senior Management as measured against the goals and objectives of the Company and recommend to the Board, the remuneration of the Executive Directors and Senior Management in all its forms, drawing from outside advice as necessary;
- (4) Review and recommend to the Board, the remuneration packages of Non-Executive Directors for shareholders' approval at the Annual General Meeting ("AGM") in accordance with the Companies Act 2016 and ensure that remuneration for Independent Directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed.
- (5) Oversee the qualitative and quantitative disclosures of remuneration made in the Annual Report and Notice to General Meetings; and
- (6) Provide clarification to shareholders during General Meetings on matters pertaining to remuneration of Directors and Senior Management as well as the overall remuneration framework of the Company.

Executive Directors and Senior Management shall play no part in decisions on their own remuneration. Directors who are shareholders and controlling shareholders with a nominee or connected director on the Board should also abstain from voting on the resolution to approve Directors' fees at the AGM.

E. Structures and Procedures of Meetings

(1) Frequency of Meeting

The RC shall meet at least once a year or more frequently as circumstance may dictate, with due notice of issues to be discussed and should record its conclusion in discharging its duties and responsibilities.

(2) Calling

Chairperson of RC may call for additional meetings at the request by any RC member or the Management.

(3) Venue

The RC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the RC members as a whole to participate for the entire duration of the meeting. The technology to be

used for the purpose of this paragraph must enable each RC member taking part in the meeting to communicate simultaneously with each of the other RC members and may include telephone, video conferencing, or any other audio and/or visual device which permits instantaneous communication. All information and documents for the meeting must be made available to all members prior to or at the meeting.

(4) Virtual meeting

A virtual meeting shall be deemed to constitute a RC meeting provided the following conditions are met:

- (a) all the RC members for the time being entitled to receive notice of the RC meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted by the Constitution of the Company; and
- (b) a RC member may not leave a virtual meeting by disconnecting from the technology used unless he/she has previously expressly notified the Chairperson of his/her intention to leave the meeting and a RC member shall be conclusively presumed to have been present and to have formed part of the quorum at all times during such a meeting until such notified time of his/her leaving the meeting.

The main venue of the RC meeting shall be the place where the Chairperson is present at the RC meeting or the Chairperson of the meeting is present, if the meeting is not chaired by the Chairperson of the RC.

(5) Notice

Except in the case of an emergency, reasonable notice of every meeting shall be given in writing and the notice of each meeting shall be served to the RC member either personally or by fax or by post or by courier or by e-mail to his registered address as appearing in the Register of Directors, as the case may be. The agenda and relevant papers for the RC meeting must be issued at least five (5) business days in advance of each meeting.

(6) **Quorum**

The quorum of the RC shall be two (2) members present who are Independent Directors.

(7) **Chairperson**

If the Chairperson of the RC is not present within fifteen (15) minutes after the time appointed for the holding of the meeting, the RC members present shall elect one of their members to be the Chairperson of the meeting.

(8) **Attendance**

The RC should disclose the number of committee meetings held in a year and the details of attendance of each individual member in respect of meetings held.

The RC may, as and when deemed necessary, invite any Board members, senior management staff or consultants, who the RC thinks fit, to attend its meetings to assist and provide pertinent information as necessary.

(9) **Voting**

A resolution put to the vote of the meeting shall be decided on a show of hands. In the case of an equality of votes, the Chairperson shall be entitled to a second or casting vote. Nevertheless, at meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairperson of the RC will not have the second or casting vote.

A member of the RC who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall abstain from deliberating and voting.

(10) **Written Resolution**

A written resolution signed or approved by letter or telefax or facsimile, email or other electronic means and to include a signature and/or an electronic or digital signature by all members of the RC shall be valid and effectual as if it had been passed at a meeting of the RC duly called, convened, held and constituted. Any such resolution may be executed in any number of counterparts, each signed by one or more members, all of

which taken together and when delivered to the Secretary of the RC shall constitute one and the same resolution.

(11) Keeping of Minutes

Minutes of each meeting shall be signed by the Chairperson of the meeting at which the proceedings were held and kept as part of the statutory record of the Company upon confirmation by the RC and a copy shall be distributed to each member of RC.

(12) Custody, production and inspection of Minutes

The minutes shall be kept by the Company at the Registered Office or the principal place of business of the Company in Malaysia, and shall be open for inspection by any RC member or Board member without charge.

F. Reporting

- (1) The RC Chairperson shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities; and
- (2) The RC shall make whatever recommendation to the Board it deems appropriate on any area within its remit where action or improvement is needed.

G. Rights

In performing of its duties and responsibilities, the RC shall in accordance with a procedure to be determined by the Board and at the expense of the Company to:-

- (1) have the resources which are required to perform its duties;
- (2) have full and unrestricted access to any information pertaining to the Group; and
- (3) be able to obtain independent professional or other advice and to invite persons with relevant experience and expertise to attend the RC meetings (if required).

H. Review of the Terms of Reference

The Terms of Reference shall be reviewed and updated by the RC on a periodic basis as it deems appropriate for the Board to approve. Such review shall be in line with any regulations that may have an impact on the discharge of the RC's responsibilities.

This TOR was reviewed and approved by the Board on 29 November 2022 and is made available for reference on the Company's website at <http://www.kimlun.com>.

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