

TECHBOND GROUP BERHAD
201601019667 (1190604-M)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

I. PURPOSE

The Board of Directors ("Board") of Techbond Group Berhad ("the Company") has established a Remuneration Committee ("RC" or "Committee") to assist the Board in discharging the following duties and responsibilities as set out in its Terms of Reference:

- (a) Establishing and implementing a formal, fair and transparent policies and procedure for determining the remuneration of Directors and key senior management of the Company and its subsidiaries ("Group"); and
- (b) Ensuring that their remuneration is competitive, adequate and in line with current market practice to attract, retain, motivate and reward the right talent of Directors and key senior management and is aligned with the Group's strategy taking into account the short-term and long-term value creation strategic plans of the Group.

II. COMPOSITION

- 1. The Committee shall consist of at least three (3) members all of whom shall be appointed by the Board amongst its Directors. The Committee shall comprise exclusively of Non-Executive Directors with a majority being Independent Non-Executive Directors.
- 2. The Chairman of the Committee shall be appointed by the Board amongst the Committee's members and shall be an Independent Director of the Company.
- 3. All members of the Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company. Should any member of the Committee cease to be a Director of the Company, his membership in the Committee will cease forthwith.
- 4. In the event the number of the Committee's members is reduced to below three (3) due to whatsoever reason, the Board must fill the vacancy within three (3) months from the date of occurrence of event.

III. MEETINGS

- 1. The RC shall meet at least once a year or as and when circumstances dictate.

2. Unless in the case of emergency, the notice of the RC meetings and meeting materials shall be circulated at least five (5) business days before each meeting to members of the RC. The notice of every meeting shall be given in writing and the notice of each meeting shall be served to the member either personally or by fax or e-mail or by post or by courier to his/her address as appearing in the Register of Directors or to the address provided by the RC member, as the case may be.
3. The RC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables the Committee's members as a whole to participate for the entire duration of the meeting.
4. The Company Secretary or other persons appointed by the Board (if any) shall be the Secretary of the Committee.
5. The quorum for the meeting shall be two (2) members and the majority of members present must be Independent Directors.
6. The Chairman of the RC shall chair the Committee's meetings. If he is not present at any meeting within fifteen (15) minutes of the time appointed for holding the same, the members of the RC present shall choose one of their number to be the chairman of the meeting.
7. Other Directors and employees may attend any particular meetings upon the invitation of the RC.
8. Questions arising at any meeting of the RC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the RC shall have a second or casting vote (except where two (2) members form the quorum).
9. Minutes of each meeting shall be kept at the registered office and distributed to each member of the RC and also to the other members of the Board on a set timeline to be agreed between the Chairman of the Committee and the Board.
10. The minutes of the RC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.
11. A resolution in writing, signed by all 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.

12. Any such document may be accepted as sufficiently signed by a member of RC if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the said member.
13. The Committee, through its Chairman, shall report to the Board at the next Board of Directors' meeting on its proceedings on all matters within its duties and responsibilities after each Committee meeting. When presenting any recommendation to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

IV. POWERS AND AUTHORITY

To facilitate the work of the RC, the RC shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:

1. have full and unrestricted access to all information and documents which are required to be required to perform its duties.
2. be able to obtain independent professional advice or other advice from any person or firms who has the relevant experience and required expertise and to secure the attendance of those persons if it considers necessary.
3. implement other necessary duties as mutually agreed by the Committee and the Board or any other authorities which are empowered by law or regulated by any government authority.

V. SCOPE AND FUNCTIONS OF THE COMMITTEE

The Committee shall perform the following scope and functions that have been delegated by the Board and make recommendations to the Board for consideration, as and when necessary:

1. **Remuneration Policies and Procedures**
 - (a) To establish and implement the Company's remuneration policies including reviewing and recommending matters relating to the remuneration of Directors and key senior management and recommend to the Board for approval.
 - (b) To establish and review the policies and procedures on remuneration of Directors and key senior management including benefits, pension or incentive scheme entitlement, bonuses, fees and expenses and any compensation payable on the termination of the service contract by the Company and/or the Group and to review changes to the policies, where applicable.

- (c) In determining the remuneration packages of Directors and key senior management, the Committee should take into consideration the following:-
 - (i) qualification and professionalism;
 - (ii) technical competency, skills, expertise and experience;
 - (iii) roles and responsibilities; and
 - (iv) aligned with the business strategies and long-term objectives of the Group.

Performance-based payment such as bonus is discretionary and is decided by reference to the Company's performance as well as the individual's performance including their roles in addressing the Company's material sustainability risks and opportunities.

2. Review Procedures

- (a) Non-Executive Directors
 - (i) The annual review of the remuneration structure of Non-Executive Directors shall be carried out in the fourth quarter of each financial year or such other period as the Committee deems appropriate.

The remuneration of Non-Executive Directors is determined by the Board as a whole.
- (b) MD and Executive Directors
 - (i) The annual review of the salary, allowances, bonus, increments, other emoluments and benefits-in-kind whether on a fixed and/or performance-linked basis shall be carried out in the fourth quarter of each financial year or such other period as the Committee deems appropriate.
 - (ii) The remuneration of Executive Directors is determined by the Board as a whole, based on the recommendation of the Remuneration Committee and the Executive Directors shall not be involved in deciding their own remuneration.
 - (ii) The Board, based on consultation and recommendation of the Committee, will annually set the key performance indicators.
- (c) Key Senior Management
 - (i) The review and approval of the salary, allowances, bonus, increments, other emoluments and benefits-in-kind whether on

a fixed and/or performance-linked basis, are based on the key performance indicators as recommended by the MD, shall be carried out in the fourth quarter of each financial year or such other period as the Committee deems appropriate.

3. Others

- (a) To ensure that the MD and Executive Directors are not involved in deciding their own remuneration.
- (b) To ensure that Directors who are shareholders of the Company shall abstain from voting at general meetings to approve their fees.
- (c) The Committee may, as and when deemed necessary, invite any Board members or any member of the management, who the Committee thinks fit, to attend its meetings to assist and provide pertinent information as necessary.
- (d) To consider other topics or undertake any other activities as defined by the Board from time to time.

VI. REVIEW OF COMMITTEE

- 1. The NC must review the term of office and performance of RC and each of its members at least once a year to determine whether RC and its members have carried out their duties in accordance with the Terms of Reference, and thereafter, make recommendations to the Board for consideration.
- 2. The RC shall review its Terms of Reference periodically and may recommend to the Board any changes it considers necessary.

The Terms of Reference was revised and approved by the Board on 11 October 2022.