

## **1. INTRODUCTION**

- 1.1 The Remuneration Committee's ("RC") Terms of Reference ("TOR") set out the requirements of the Board of Directors (the "Board") of SCC Holdings Berhad ("SCCH" or the "Company") towards the establishment of a RC and the delegation of responsibilities to such a Committee.
- 1.2 The annual review of the RC's TOR should be a robust process, reflecting changes to the Company's circumstances and any new regulations that may impact upon the RC's responsibilities.

## **2. FUNCTIONS**

- 2.1 This Committee's TOR is established pursuant to the Listing Requirements and approved by the Board.
- 2.2 The purpose of the Committee set up under the Listing Requirements is to assist the Board in fulfilling its roles and responsibilities in regards to the following:
  - 2.2.1 Remuneration Policies for Directors;
  - 2.2.2 Review the performance of, and recommend to the Board for approval the annual total remuneration packages which include salaries, incentives, compensation for loss or termination of office or appointment of Directors;
  - 2.2.3 Review and recommend the remuneration of Non-Executive Directors to the Board; and
  - 2.2.4 Communicate with shareholders on executive remuneration.

## **3. MEMBERS**

- 3.1 Membership and the Chairman of the Committee shall be appointed by the Board and shall comprise of not less than three (3) members whom shall be appointed from among the Directors of the Board.
- 3.2 Majority of the members of the Committee must be Non-Executive Directors and a majority of whom must be Independent Directors free from any business or relationship that in the opinion of the Board would materially interfere with the exercise of his/her independent judgement as a member of the Committee.
- 3.3 Members of the RC may relinquish their membership in the RC with prior written notice to the Company Secretary. The RC will review and recommend, to the Board for approval, another candidate to fill up such vacancy.

## **4. POWERS AND AUTHORITY**

- 4.1 The Board authorizes the RC, within the scope of its duties and responsibilities set out in this TOR to:
  - 4.1.1 acquire the resources which are required to perform its duties;

- 4.1.2 have full and unrestricted access to information, records, properties and personnel within the Group;
- 4.1.3 obtain relevant internal and external independent professional to assist in the proper discharge of its roles and responsibilities, advice, as it deems necessary; and
- 4.1.4 have access to the advice and services of the Company Secretary.

## **5. SECRETARY OF THE RC**

- 5.1 The Company Secretary shall be the Secretary of the RC.
- 5.2 The Secretary shall be present to record proceedings of the RC meetings.
- 5.3 The Secretary shall have the following responsibilities:
  - 5.3.1 ensure all meetings are arranged and held accordingly;
  - 5.3.2 draw up meeting agenda in consultation with the Chairman and circulate the agenda together with the relevant papers at seven(7) days prior to each meeting to enable full and proper consideration be given to issues;
  - 5.3.3 prepare the minutes of the RC meetings and record the conclusions of the RC in discharging its duties and responsibilities;
  - 5.3.4 ensure the minutes are endorsed by the Chairman before circulating promptly to all members of the RC and make the same available to Board members who are not members of the RC; and
  - 5.3.5 ensure that the minutes of the RC meetings are properly kept and produced for inspection if required.

## **6. MEETING GUIDELINES OF THE RC**

- 6.1 In order to form a quorum, minimum two (2) members must be present.
- 6.2 The RC shall meet a minimum of two (2) times a year. Additional meetings shall be held as and when the RC or the Chairman of the RC shall decide. The RC meetings shall be governed by the provisions of the Company's Articles of Association relating to Board meetings unless otherwise provided for in this TOR. The RC may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.
- 6.3 RC may request other Directors, members of Board committees/management ("BC"), counsels and consultants when applicable and necessary to participate in the meetings, to assist in carrying out the RC's responsibilities, provided, however, that no Director shall be entitled to vote at such meetings or be counted as part of the quorum for any meeting of the RC unless he or she is a member of the BC.
- 6.4 A member of the RC shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest

situation for him/her. Where this causes a lack of quorum, the RC shall appoint another candidate(s) who meets the membership criteria.

- 6.5 A member of RC may participate in a meeting of by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 6.6 The notice and agenda for each RC meeting shall be sent to all members of the RC and any other persons who may be required to attend.
- 6.7 The Chairman of the RC shall report to the Board on any matter that should be brought to the Board's attention and provide recommendations of the RC that require the Board's approval at the Board meeting.

## **7. DUTIES AND RESPONSIBILITIES**

### **7.1 The Remuneration Framework**

#### **7.1.1 Set and review the parameters of the framework:**

- a) who the policy will relate to directors of the Group;
- b) determine how best to measure the performance of the directors; and
- c) determine which elements of remuneration will apply, procedure of payout and how it will be linked to performance of individual and company.

### **7.2 Executive Directors' Remuneration**

#### **7.2.1 review and recommend to the Board the remuneration of any Executive Directors within the Group.**

### **7.3 Non-Executive Directors' Remuneration**

#### **7.3.1 review and recommend to the Board the fees for Non-Executive Directors taking into consideration responsibilities undertaken such as acting as Board Chairman, Chairman of a Board Committee or as the Senior Independent Director.**

### **7.4 Disclosure of Remuneration of Directors**

#### **7.4.1 ensure that remuneration for all Directors are disclosed in the Annual General Report; and**

#### **7.4.2 the chairman of the RC or in his absence, another member of the RC shall attend the Annual General Meeting of the Company and be prepared to respond to questions at the meeting on the RC's work and responsibilities.**

**8. DISCLOSURE ON REMUNERATION COMMITTEE'S ACTIVITIES**

8.1 SCCH must provide in its annual report a statement about the activities of the RC in the discharge of its duties for the financial year.

8.2 Written TOR

8.2.1 RC must have written terms of reference which deal with its authority and duties and such information must be made available on the Company's website.

**9. REVISION OF THE TOR**

9.1 Any revision or amendment of the TOR as proposed by RC or any other party shall first 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 TOR and shall be considered duly revised or amended.

**10. APPROVAL**

10.1 This TOR was reviewed and approved by the Board on **24 November 2016**.