

REMUNERATION COMMITTEE

TERMS OF REFERENCE

PURPOSE

The Remuneration Committee, a Committee of the Board of Directors (“Board”), is established primarily to:

1. Provide assistance to the Board in determining the remuneration of executive directors and, if applicable, senior management and in particular the Chief Executive Officer where the person is not a member of the boards of directors. In fulfilling this responsibility, the Committee is to ensure that executive directors and applicable senior management of Damansara Reit Managers Sdn Berhad (“the Company”):
 - Are fairly rewarded for their individual contributions to overall performance;
 - that the compensation is reasonable in light of the Company’s objectives; and
 - that the compensation is similar to other companies.
2. Establish the Managing Director/Chief Executive Officer’s goals and objectives;
3. Review the Managing Director/Chief Executive Officer’s performance against the goals and objectives set.

MEMBERSHIP

The Remuneration Committee shall consist entirely of non-executive directors. It shall have at least three members and the quorum for the Committee shall be two members. Remuneration Committee members and the Chairperson shall be appointed by the Board based on the recommendations of the Nomination Committee. The appointment of a committee member terminates when the member ceases to be a director, or as determined by the Board.

In the event of equality of votes, the Chairperson of the Committee shall have a casting vote (except where 2 directors from the quorum). In the absence of the Chairperson of the Committee, the members present shall elect one of their number to chair the meeting

The Committee members shall:

- Have a good knowledge of the Company and its executive directors, and a full understanding of shareholders’ concern; and
- Have a good understanding, enhanced as necessary by appropriate training or access to professional advice, on/of areas of remuneration.

MEETINGS

The Committee shall meet at least once a year. Additional meetings shall be scheduled as considered necessary by the Committee or Chairperson. The Committee may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.

The Committee may consult the Chairperson of the Board regarding proposals relating to the remuneration of executive directors. The Committee may consult other non-executive directors in its evaluation of the Managing Director/Chief Executive Officer. The Committee may request other directors and key executives to participate in Committee meetings, as necessary, to carry out the Committee's responsibilities.

The Committee shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board and at the cost of the Company. The Committee is authorized by the Board to obtain external legal or other professional advice, as well as information about remuneration practices elsewhere. The Committee may, if it thinks fit, secure the attendance of external advisers with relevant experience and expertise, and shall have the discretion to decide who else other than its own members, shall attend its meetings. No director or executive shall take part in decisions on his/her own remuneration.

The Secretary of the Committee shall be appointed by the Committee from time to time. Committee meeting agendas shall be the responsibility of the Committee Chairperson with input from Committee members. The Chairperson may also ask management to participate in this process.

The agenda for each meeting shall be circulated at least seven days before each meeting to the Committee members and all those who are required to attend the meeting. Written materials including information requested by the Committee from management or external consultants shall be received together with the agenda for the meetings.

The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the Committee meeting shall be available to all Board members.

The Committee, through its Chairperson, shall report to the Board at the next Board of Directors' meeting 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. The committee shall provide such information to the Board as necessary to assist the Board in making a disclosure in the Annual Report in accordance with the Principles of the Malaysian Code on Corporate Governance BIII and the Bursa Malaysia Listing Requirements Appendix 9C Part A.

The Chairperson of the Committee shall be available to answer questions about the Committee's work at the Annual General Meeting of the Company.

SCOPE OF ACTIVITIES

The duties of the Remuneration Committee shall include the following:

1. To establish and recommend the remuneration structure and policy for executive directors and key executives, if applicable, and to review for changes to the policy, as necessary.
2. To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration setting forming a significant proportion of the total remuneration package of executive directors.
3. To review and recommend the entire individual remuneration packages for each of the executive directors and, as appropriate, other senior executives, including: the terms of employment or contract of employment/service; any benefit, pension or incentive scheme entitlement; any other bonuses, fees and expenses; and any compensation payable on the termination of the service contract by the Company.
4. To review with the Managing Director/Chief Executive Director, his/her goals and objectives and to assess his/her performance against these objectives as well as contribution to the corporate strategy.
5. To review the performance standards for key executives to be used in implementing the Group's compensation programs where appropriate.
6. To consider and approve compensation commitments/severance payments for executive directors and key executives, where appropriate, in the event of early termination of the employment/service contract.
7. To consider other matters as referred to the Committee by the Board.