



**REMUNERATION COMMITTEE
TERMS OF REFERENCE**

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. PURPOSE

- 1.1 The Board of Revenue Group Berhad (“RGB”) has delegated the responsibility on matters related to the remuneration of RGB to the Remuneration Committee (“the Committee” or “RC”) as follows:
- (a) The principles, parameters and governance framework of the RGB’s remuneration policy (as applicable to all Group employees); and
 - (b) To recommend the remuneration of Executive Directors, other ‘Senior Executives’ (Group Chief Executive Officer, Group Chief Operations Officer, Group Chief Technology Officer, Group Chief Financial Officer and the Group Company Secretary) and other ‘Regulated Employees’ (being employees whose activities have or could have a material impact on the RGB’s risk profile, in accordance with the requirements of RGB’s regulators.

2. COMPOSITION

- 2.1 The Board must appoint the members of the Committee from amongst its Directors comprise at least three (3) members exclusively of non-executive directors, a majority of whom are independent.
- 2.2 The members of the Committee shall appoint the Chairman of the Committee who shall be an independent non-executive director of the Company.
- 2.3 The Company Secretary of the Company shall be the secretary of the Nomination Committee.

3. CHAIRMAN OF THE COMMITTEE

- 3.1 The members of the Committee must elect a chairman among themselves who is a senior independent director identified by the Board.
- 3.2 If the Chairman is not present at a meeting within five minutes after the time appointed for holding the meeting, the members of the Committee may elect one of their members to be the Chairman of the meeting.

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4. ATTENDANCE

- 4.1 Only members have the right to attend Committee meetings.
- 4.2 The Chairman of the Committee, or the Committee members with the approval from the Chairman, may invite any person or persons to attend the Committee meetings, but not necessarily for the full duration of the meeting.

5. MEETINGS AND QUORAM

- 5.1 The Chairman shall ensure that the Committee meets with sufficient notice and frequency.
- 5.2 The quorum for meetings is two (2) members, including the Chairman or his delegate.
- 5.3 The Committee shall meet at least once (1) a year. More meetings may be conducted if the need arises.
- 5.4 In addition to the regular scheduled meeting, the Chairman shall call a meeting of the Committee if so requested by any member of the Committee or by the Chairman of the Board.
- 5.5 The Secretary of the Committee is the RGB Company Secretary (or his nominee).
- 5.6 The Secretary, in consultation with the Chairman of the Committee, shall draw up the agenda of the meeting. The agenda, together with the relevant papers, shall be circulated at least seven (7) days prior to each Committee meeting. The Secretary of the Committee shall keep the minutes of meetings and copies thereof shall be circulated to all members of the Board.

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6. RESPONSIBILITY OF THE CHAIRMAN

6.1 The Chairman's role requires:

- (a) Fostering an open, inclusive and where appropriate challenging discussion;
- (b) Ensuring the Committee and its members have the information necessary to perform their tasks and devote sufficient time and attention to the matters within their remit;
- (c) Facilitating the running of the Committee to assist it in providing independent oversight of executive decisions; and
- (d) Reporting to the Board on the Committee's activities.

7. AREAS OF RESPONSIBILITY

The Committee's responsibilities shall include:

7.1 REMUNERATION POLICY AND GOVERNANCE

7.1.1 Setting the principles, parameters and governance framework of the Group's remuneration policy as applicable to all RGB employees.

7.1.2 To determine the remuneration policy of the RGB, including its subsidiaries (with input from subsidiary boards as applicable to local regulatory and market conditions), taking into consideration of the recommendations from the Managing Director and/or Group Chief Executive Officer and Head of Human Resources, including the review and sanction of the following new or amended policies:

- (a) Salary and incentive plans;
- (b) Retirement benefits, and the associated funding arrangements, which are substantial in their cost and impact a significant proportion of employees and, in all cases, any new or increased provision of unfunded liability arrangements or Defined Benefit plans;
- (c) Employee share plans (prior to referral to shareholders, as applicable) including any Good Leaver policy; and
- (d) Severance.

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE (CONT'D)

- 7.1.3 Setting the remuneration policy and remuneration for Independent Non-executive Directors, Executive Directors and other Senior Executives of the RGB and its subsidiaries, taking into consideration of the recommendations from the Managing Director and/or Group Chief Executive Officer and Head of Human Resources.
- 7.1.4 Make recommendations to the Board, for approval by shareholders, regarding the Directors' Remuneration Policy and any other remuneration matters that may require shareholder approval taking into account:
- (a) The time commitment and responsibilities of independent non-executive Directors and executive Directors;
 - (b) The long-term interests of shareholders and investors; and
 - (c) The requirement to link pay to performance by reference to corporate goals and objectives resolved by the Board.
- 7.1.5 Review and set the remuneration for Independent Non-executive Directors, Executive Directors and other Senior Executives, taking into consideration of the recommendations from the Managing Director and/or Group Chief Executive Officer and Head of Human Resources, including:
- (a) Overall market positioning of the remuneration package;
 - (b) Individual fixed pay and increases;
 - (c) Annual and long-term incentive arrangements and adjustments;
 - (d) Benefit entitlements (including pension arrangements);
 - (e) Service contracts;
 - (f) Shareholding policies;
 - (g) Procedures relating to expenses; and
 - (h) Termination arrangements and compensation for loss of office.

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE (CONT'D)

7.1.6 Setting the remuneration policy for Regulated Employees of the RGB and its subsidiaries, taking into consideration of the recommendations from the Managing Director and/or Group Chief Executive Officer and Head of Human Resources, in accordance with prevailing regulatory requirements:

- (a) Review and approve the approach to be used for identifying Regulated Employees of the RGB; and
- (b) Determine and approve the remuneration policy for Regulated Employees.

7.1.7 In carrying out the above responsibilities, the Committee shall:

- (a) For any employee of the RGB, approve:
 - (i) New hire remuneration packages and severance arrangements that exceed the delegated mandates approved by the Committee; and
 - (ii) Total remuneration (aggregate fixed pay, annual and long-term incentive, bonus arrangements) for any performance year that exceeds Malaysian Ringgit ("MYR") Three million (MYR3,000,000).
- (b) Ensure that no Director or Senior Executive, or any of their associates, is involved in deciding their own remuneration;
- (c) Determine the governance of, and delegated mandates for, approving individual remuneration packages and any changes to policies, taking into consideration of the recommendations from the Managing Director and/or Group Chief Executive Officer and Head of Human Resources; and
- (d) The Committee shall review the Group's compensation policy and ensure alignment of compensation to corporate performance, and compensation offered in line with market practice, taking into consideration of the recommendations from the Managing Director and/or Group Chief Executive Officer and Head of Human Resources.

Note: Subject to shareholders' approval in the general meeting, the Board will determine the level of remuneration of the Non-Executive Director of the Company. The review of the remuneration of the Non-Executive Director should take into consideration fee levels and trends for similar positions in the market, time commitment required from the director and any additional responsibilities undertaken such as a director acting as chairman of a board committee or as the senior independent non-executive director. The individuals concerned should abstain from discussion of their own remuneration.

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE (CONT'D)

8. REGULATORY, RISK AND AUDIT

- 8.1 Reviewing any matters relating to remuneration that need to be reported to the Board, shareholders and the RGB's primary regulator, and assessing that there are effective safeguards in place to ensure that remuneration policies are clearly aligned with the RGB's risk appetite and the regulatory and other legislative requirements that the RGB is required to comply with.
- 8.2 This includes the review and approval of:
 - (a) The content of the Directors' Remuneration Report in the annual report and accounts for approval by the Board as a whole;
 - (b) The Group's regulatory submissions including the Group's Remuneration Policy Statement and notable events for each financial year;
 - (c) Any statement required by the Group's primary regulator from the Committee about the Group's remuneration policy;
 - (d) The adequacy and effectiveness of the remuneration policy of the Group and its subsidiaries in the context of consistent and effective risk management; and
 - (e) Variable pay adjustments, including application of malus and/or clawback, for conduct breaches.
- 8.3 Seeking advice from the Group Audit and Risk Management Committee on the alignment of risk and remuneration and on risk adjustments to be applied in setting annual variable pay pool.
- 8.4 Considering material issues communicated to the Committee by the Group Audit and Risk Management Committee arising from the work of Internal Audit relating to matters which fall within these terms of reference, including communication of relevant internal audit findings on remuneration matters. The Committee shall provide feedback to the Group Audit and Risk Management Committee on these matters, in particular as to any shortcomings perceived in the scope or adequacy of Internal Audit or its work.

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9. OPERATION OF THE COMMITTEE

9.1 The Committee:

- (a) Shall review annually these terms of reference and its own effectiveness as well as the quality of information it receives and recommend any necessary changes;
- (b) May establish core terms of reference for adoption by similar committees of any subsidiary company and, where appropriate, approve material deviations from such core terms;
- (c) Shall report to the Board on the matters set out in these terms of reference, how the Committee has discharged its responsibilities and will make recommendations on action needed to resolve concerns or make improvements;
- (d) May delegate to the Chairman authority to make decisions on its behalf on matters which may need attention between Committee meetings, provided that such decisions are notified to the Committee members and ratified at the next scheduled Committee meeting;
- (e) May (with the consent of the Board) delegate certain decisions which are not material to Group companies or business units.
- (f) Is authorized by the Board to engage independent professional advisers and have access to such resources including employees as it may consider appropriate.
- (g) Shall give consideration to laws and regulations of all applicable jurisdictions and regulators.
- (h) Shall work and liaise as necessary with all other Board committees (including to determine where there is an overlap in responsibilities) as well as the Group's principal subsidiaries and their remuneration committees (setting clear expectations for the latter). The Committee's interaction with other relevant boards and committees of the Group will be reflected in the detailed plans and processes for the Committee which are developed on an ongoing basis throughout each calendar year.
- (i) Shall consider any matter relating to and may request any information as it considers appropriate from any remuneration committee of any Revenue Group Berhad

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE (CONT'D)

10. REVISION AND UPDATES

- 10.1 The Remuneration Committee Terms of Reference will be reviewed and updated at least once (1) a year to ensure it remains consistent with the Committee's objectives and responsibilities.