

**RESINTECH BERHAD** (341662-X)  
**REMUNERATION COMMITTEE**  
**– TERMS OF REFERENCE**

**COMPOSITION**

The Remuneration Committee shall be appointed from amongst the Board and should only consist of non-executive directors and a majority of them must be independent directors.

**CHAIRMAN**

The Chairman of the Remuneration Committee should be an Independent Non-Executive Director. In the absence of the Remuneration Committee Chairman, the remaining members present shall elect one of their number present to chair the meeting, who should be an independent director.

**SECRETARY**

The Company Secretary or any authorised person shall be the secretary of the Remuneration Committee (“**the Secretary**”). The Secretary shall provide assistance to the members of the Committee, including but not limited to assist the Remuneration Committee Chairman in planning the work of the Committee, formulating meeting agendas, maintenance of committee minutes, collation and distribution of information required by the Committee and provide practical support, as and when needed.

**PURPOSE**

1. To establish a formal and transparent remuneration policy;
2. To determine and agree with the Board on the remuneration framework or policy for the executive director(s);
3. To determine the individual remuneration package for the executive director(s); and
4. To monitor the structures and levels of remuneration for senior executives to ensure fair rewards for their contributions to the Company’s overall performance and make recommendations as appropriate.

**RIGHTS**

1. The Remuneration Committee shall:
  - (a) have the resources which are required to perform its duties;
  - (b) have full and unrestricted access to all information and documents within the Group to perform its duties;
  - (c) have the right to obtain independent professional or other advice at the Company’s expense;
  - (d) have the right to invite any employees of the Group to attend Remuneration Committee meetings and to brief the Committee Members on matters being deliberated;
  - (e) meet as and when required on a reasonable notice and have the right to regulate its own procedure on the calling of meeting;
  - (f) have the right to pass resolutions by a simple majority vote from the Committee Members; and
  - (g) have the right to provide recommendations to the Board for consideration and approval.

## **DUTIES AND RESPONSIBILITIES**

1. To recommend and advise the Board the remuneration and terms of conditions (and where appropriate, severance payments) of the Executive Directors (including Chief Executive Officer (“CEO”)), ensuring that remuneration is set at a competitive level for similar roles within comparable markets to recruit, attract, retain and motivate high calibre, individuals and so structured as to align their interest with those of the Company and shareholders;
2. To establish a formal and transparent procedure for developing framework or policy on remuneration packages of individual directors, taking into consideration the following:-
  - In case of Executive Directors (including CEO), the component parts of remuneration should be structured so as to link rewards to corporate and individual performance;
  - In the case of Non-Executive Directors, the level of remuneration should reflect the experience and level of responsibility undertaken by the Non-Executive Director concerned;
3. To monitor structures and levels of remuneration for other senior executives and make recommendations, if appropriate, to ensure consistency with the Company's remuneration objectives;
4. To approve any major changes to employee compensation and benefits arrangements applicable to the Executive Director(s) and senior management;
5. To approve incentive plans for the Executive Directors and senior management, and any amendments to such plan;
6. To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time;
7. To establish and review the benefits in all its form for the Executive Directors, Non-Executive Directors, CEO and key management positions under the employment within the Group;
8. To review and approve annual salary increments and bonuses for the Executive Directors, CEO and key management positions under the employment of the Group; and
9. To obtain external advice, where necessary, on Benefits for the Executive Directors, Non-Executive Directors and key management positions under the employment of the Group.

Directors, whether executive or non-executive, should abstain from discussion and from participating in decisions of their own remuneration packages.

## **MEETINGS**

- The Remuneration Committee shall meet at least once a year or as and when required, and report to the Board of Directors after each meeting. The Remuneration Committee may establish procedures from time to time to govern its meetings, keeping of minutes and its administration. The quorum for a meeting shall be two (2) members. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present. The Remuneration Committee Chairman shall have a second or casting voting. However, where only 2 members (including Chairman) are competent to vote on question at issue, the Chairman shall not have a casting vote.

- Only the Remuneration Committee Chairman and the Members shall be entitled to participate in the Remuneration Committee Meeting. At the invitation of the Remuneration Committee, other Directors, CFO, Human Resources Manager and any other relevant advisers may also attend Committee meetings, unless there is a conflict of interest.
- The Remuneration Committee has the right to pass circular resolutions in writing by a simple majority vote from the Remuneration Committee.

### **TERMS OF REFERENCE**

The terms of reference should be assessed, reviewed and updated at least once every three years by the remuneration Committee or as and when there are changes to the Malaysian Code on Corporate Governance and the Main Market Listing Requirements.

The Remuneration Committee should recommend any change to the terms of reference to the Board for approval.

These terms of reference were reviewed and approved by the Board of Directors on 31 May 2018.