APB Resources Berhad

Registration No.: 200101029080 (564838-V)

TERMS OF REFERENCE

REMUNERATION COMMITTEE

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1 **Name of Committee**

Remuneration Committee of APB Resources Berhad ("Committee")

2 **Objectives**

The primary function of the Committee is to assist the Board to recommend to the Board the remuneration package of Executive Directors, Non-Executive Directors and Senior Management of the Group to attract, retain and motivate Directors and Senior Management to drive long term objectives.

3 **Roles and Responsibilities**

The roles and responsibilities of the Committee shall include the following:

(a) to recommend to the Board the appropriate remuneration packages for the Managing Director, Executive Directors, Non-Executive Directors and key management personnel in all forms;

(b) assist the Board in developing and administrating a fair and transparent procedure for setting policy on remuneration of directors and key management personnel;

(c) review the remuneration package for the Non-Executive Directors and the committees to be aligned with their responsibilities and contribution;

(d) review at least once a year the performance of the Managing Director and Executive Directors and recommend to the Board specific adjustments in remuneration and/or reward payments, if any, reflecting their contributions for the year;

(e) ensure that the remuneration packages are determined on the basis of the directors' and key management personnel's merit, qualification and competence, having regard to the Company's operating results, individual performance and comparable market statistics;

(f) ensure that the level of remuneration are aligned with the business strategy and long-term objectives of the Company and reflects the experience and level of responsibilities undertaken by the Directors and key management personnel;

(g) review the fees of the Directors and benefits payable to directors including any compensation for loss of employment of director or former director and recommend to the Board and thereafter to be approved at a general meeting; and

(h) recommend the engagement of external professional advisors to assist and/or advise the Committee on remuneration matters, where necessary.

4 **Authorities**

The Committee is authorised to:

(a) undertake any activity within its terms of reference;

(b) request any information from any employee/director/contractor/consultant (or other provider of services, including legal and tax advisers) of the Company/Group in order to perform its duties;

(c) obtain, at the Company's expense, external legal, or other professional advice, on any matter within its terms of reference, and to invite persons giving such advice to attend Committee meetings;

(d) request the attendance of any employee, contactor, consultant or other provider of services to the Group to be questioned at a meeting of the Committee, as and when required;

(e) publish the Company's annual report details of any issues that have not been resolved between the Committee and the Board; and

(f) delegate any of its powers to one or more of its members, the secretary, a sub-committee or such other body as it deems appropriate

5 **Members**

The Board of Directors shall elect the Committee members from amongst themselves. The Committee shall comprise at least three (3) directors, composed exclusively non-executive directors, a majority of whom are independent directors.

6 **Chairman**

The Chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director and shall not be the Chairman of the Board. In the absence of the Chairman in any meeting, the remaining members present shall elect one (1) of themselves to chair the meeting.

7 **Quorum**

The quorum for meetings shall be at least two (2) members, of whom the majority present shall be an independent director. A duly convened meeting of a Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

8 **Number of Meetings and Notice of Meetings**

The Committee shall meet at least one (1) time each financial year and at such other times as the Chairman of the Committee considers necessary or appropriate.

Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chairman of the Committee. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than seven (7) business days before the date of the meeting. Reasonable time should be given for the Committee members and to other attendees as appropriate, to consider all relevant papers and materials prior to the Committee meeting.

The Committee may pass resolutions in writing, signed by all the members, which shall be valid and effectual as if it is passed at a meeting of the Committee duly convened and held.

9 Voting Procedures and Minutes

Matters arising at any meeting shall be decided by a majority vote of the members present, each member having one (1) vote. In the event of equality of votes, the Chairman of the Committee shall have a second or casting vote. However, at meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairman of the Committee will not have the second or casting vote.

The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The minutes of the Committee, when approved by the Committee, should be circulated to the Board.

10 Reporting Structure

In addition to the availability of detailed minutes of the Committee meetings to all Board members, the Chairman of the Committee at each Board meeting will report a summary of significant matters.

The Committee shall not be delegated with decision making powers but shall report its recommendations to the Board for decision.

The Committee shall compile a report to shareholders on its own activities to be included in the Company's Annual Report.

The Committee Chairman shall respond to any questions relating to the Committee's activities at the Annual General Meeting of the Company, where required.

11 The Secretary

The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairman of the Committee, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.

The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee, including the names of those present and in attendance. Meeting minutes shall be approved by the Committee at its next meeting. The minutes of the Committee, when approved by the Committee and signed by the Chairman of the Committee, should be circulated to the Board.

12 Review of Terms of Reference

The Terms of Reference of the Committee shall be reviewed and amended as necessary to determine its adequacy in line with the current circumstances, the Company's policies and applicable rules and regulations.