



# **MUAR BAN LEE GROUP BERHAD**

(Company No. 753588-P)

(Incorporated in Malaysia under the Companies Act, 1965)

## **REMUNERATION COMMITTEE**

### **– TERM OF REFERENCE**

#### **(A) OVERVIEW**

The Board of Directors (“the Board”) of Muar Ban Lee Group Berhad (“MBL” or “the Company”) observes the Malaysian Code on Corporate Governance 2012 (“MCCG 2012” / “the Code”) and ensures that the highest standards of corporate governance are practiced throughout the Company and its subsidiaries (“the Group” or “MBL Group”) as a fundamental part of discharging its responsibilities to protect and enhance shareholders’ value and the financial performance of the Group. The Board establish Remuneration Committee (“RC”) to assist in carrying out its duties and responsibilities.

The RC shall operate under clearly defined Terms of Reference. The RC is authorised by the Board to deal with and to deliberate on matters delegated to them within their Terms of Reference.

#### **(B) COMPOSITION OF THE RC**

##### **(a) Nomination and Appointment**

The RC members shall be appointed by the Board. The majority of the RC members shall be Independent Non-Executive Directors.

##### **(b) Size and Composition**

The RC shall consist of not less than two (2) members. All members of RC shall hold office only for so long as they serve as Directors of the Company.

##### **(c) Chairman**

The members of the Committee shall elect from among their number a Chairman who is Independent and Non-Executive Director. In the absence of Chairman of the RC, the remaining members present shall elect one of their members to chair the meeting.

##### **(d) Secretary**

The Company Secretary shall be the Secretary of RC.



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#### **(C) DUTIES AND RESPONSIBILITIES**

- (a) To establish and recommend to the Board, the remuneration package for Executive Directors such as the terms of employment or contract of employment/service, benefit, pension, incentive scheme, bonuses, fees, expenses, compensation payable on termination of the service contract by the Company and/or the Group etc.
- (b) To consider other remunerations or rewards to retain and attract Executive Directors.
- (c) The determination of the remuneration for the Non-Executive Directors will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decision in respect of his individual remuneration package. The Board recommends the directors' fees payables to Non-Executive Directors on a yearly basis to shareholders for approval at the Annual General Meeting ("AGM").

#### **(D) AUTHORITY**

The RC is authorized by the Board to carry out its duties mentioned above and the other Directors and employees of the Group are required to give full assistance to the RC in discharging their duties. In addition, the RC is also authorized to seek for external professional expertise when required.

#### **(E) MEETINGS**

- (a) The RC shall meet at least once a year and at such times, whenever they deemed necessary.
- (b) The quorum of the RC's meeting shall be two (2) members and comprised a majority of Independent Directors.



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- (c) Participants may be invited from time to time to attend the RC's meeting depending on the nature of the subject under review.

#### **(F) REVIEW OF THE TERMS OF REFERENCE**

The Board will review this Terms of Reference from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices. The written Terms of Reference is made available for reference on the Company's website.

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[The Terms of Reference of RC was approved by the Board on 25 November 2016]