



# **KARYON INDUSTRIES BERHAD**

Registration No. 200301010377 (612797-T)  
(Incorporated in Malaysia)

## **TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE (“RC”)**

1 Composition

- (a) The Committee, which shall comprise not less than three (3) members, including the Chairman shall be established by the Board of Directors of the Company. It shall only consist of non-executive directors and majority of them must be Independent Directors. Chairman of the Board should not be a member of the committee.
- (b) Where the membership of the Committee falls below three (3) due to retirement or resignation or any other reason, the vacancy must be filled within three (3) months to achieve the minimum of three (3) members.
- (c) Alternate Director shall not be eligible for appointment as a member of the Committee.
- (d) The Board of Directors must review the terms of office and performance of each of the members of the Committee annually to determine whether the Committee and members have carried out their duties in accordance with their terms of reference.

2 Duties & Responsibilities

- (a) Review the Remuneration Policy of the Company as and when necessary, at least once every year;
- (b) Review the performance of the Directors annually and to recommend to the Board of Directors the remuneration packages and other benefits of the Executive Directors and Key Senior Management of the Group. Any individual Executive Director who is on the Committee should play no part in any decision on his/her own remuneration;
- (c) Recommend the remuneration packages of non-executive director. The remuneration packages of non-executive director shall be a matter to be decided by the Board of Directors as a whole with the director concerned abstaining from discussion and voting on any decision on his/her own remuneration; and
- (d) Review the implementation of the relevant policies and procedures pertaining to remuneration matters concerning the Group.

3 Meetings

- (a) The Committee shall meet as and when the need arises subject to at least one (1) meeting per year.
- (b) Any two (2) members of the Committee shall constitute the quorum. In the absence of the Chairman, the members present shall elect one amongst themselves to be the Chairman of the meeting.
- (c) The Committee may invite any other directors or employees within the Group of Companies to attend any of its meetings.

3 Meetings (cont'd...)

- (d) i. A committee member shall be deemed to be present at a meeting of the Committee if he participates by instantaneous telecommunication device and all members of the Committee participating in the meeting of the Committee are able to hear each other and recognize each other's voice, and for this purpose, participation constitutes prima facie proof of recognition. For the purposes of recording attendance, the Chairman or Secretary of the Committee shall mark on the attendance sheet that the committee member was present and participating by instantaneous telecommunication device.
- ii. A committee member may not leave the meeting by disconnecting his instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the meeting and a committee member will be conclusively presumed to have been present and to have formed part of the quorum at all times during the committee meeting by instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the committee meeting to leave the meeting.
- iii. Minutes of the proceedings at a committee meeting by instantaneous telecommunication device will be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as correct minutes by the Chairman of the committee meeting.
- (e) Questions arising at any meeting shall be decided upon by a majority vote, each member having one (1) vote. In the event of a tie, the Chairman shall have a second or casting vote.
- (f) The Company Secretary shall be the Secretary of the Committee at all meetings and shall be entrusted to record all proceedings and minutes of the Committee's meetings which shall be kept and circulated to all members of the Committee and of the Board.
- (g) The Committee may invite any other Directors or employee of the Company to attend any of its meeting to assist the Committee in its deliberations.
- (h) A resolution in writing signed or approved by a majority of the Committee members and who are sufficient to form a quorum shall be as valid and effectual as if it had been passed at a Meeting of the Committee duly called and constituted.

4 Authority

- (a) The Committee shall review and make recommendations to the Board with respect to the remuneration packages and other benefits of the Directors and Key Senior Management, on annual basis.
- (b) The Committee with guidance from the Group's Remuneration Policy, recommends the remuneration packages of the Executive Directors as well as Key Senior Management for the Board's approval. During these meetings, individual Directors shall abstain themselves from discussions in respect of their remuneration.

4 Authority (cont'd...)

- (c) The Committee will recommend directors' fees for both Executive Directors and Non-Executive Directors of the Company to the Board. The Board as a whole will then make recommendation on the directors' fees for shareholders' approval at the forthcoming Annual General Meeting.
- (d) The Committee will have the power to conduct or authorize investigations or reviews into any matters within its scope of responsibilities. It may delegate any responsibilities to a subcommittee when appropriate.
- (e) The Committee is authorised to obtain external professional advice with the relevant experience and if necessary, the expertise may if required be invited to attend any of its deliberations.

*Reviewed and approved by RC and Board on 8 July 2022.*