



# **TERMS OF REFERENCE REMUNERATION COMMITTEE**

**(VERSION 3.0)**

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**1. OBJECTIVE**

- 1.1 To review and recommend to the Board a formal and transparent policy on Executive Remuneration and for fixing the remuneration packages of individual directors, including management development and succession plans.

**2. COMPOSITION**

- 2.1 The Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise wholly or mainly of Non-Executive Directors.
- 2.2 The number of Committee members shall be a minimum of three (3) with a majority of whom are Non-Executive Directors.

**3. QUORUM**

- 3.1 Two (2) members shall form a quorum for meeting.

**4. CHAIRMAN**

- 4.1 The members of the Committee shall elect a Chairman from among the members who shall be an Independent Non-Executive Director. In the absence of the Chairman of the Remuneration Committee, the remaining members present shall elect one of the members as Chairman of the meeting who shall be an Independent Non-Executive Director.
- 4.2 In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.
- 4.3 The membership of the Committee shall be terminated upon the cessation of him/her as a Director of the Company, or as determined by the Board.

**5. SECRETARY**

- 5.1 The Secretary of the Remuneration Committee shall be the Company Secretary or his representative.

**6. AUTHORITY**

- 6.1 The Committee shall, in accordance with the procedure determined by the Board and at the cost of the Company: -
- (i) has the resources which required to perform its duties;
  - (ii) be able to obtain other professional's advice or other advices.

## **7. SCOPE OF RESPONSIBILITY**

The responsibility of the Remuneration Committee shall include the following: -

- 7.1 To recommend to the Board, the framework of Executive Director's remuneration and the remuneration package for each Executive Director as necessary.
- 7.2 To recommend to the Board, the guidelines for determining remuneration of Non – Executive Directors.
- 7.3 To recommend to the Board, any performance related pay schemes for Executive Directors.
- 7.4 To review Executive Directors' scope of service contracts. (if any).
- 7.5 To consider the appointment of the service of such advisers or consultants as it deems necessary to fulfil its functions.
- 7.6 To oversee the qualitative and quantitative disclosures of remuneration made in the annual report and/or other means as required by authorities from time to time. Level of remuneration should be sufficient to attract and retain the Directors needed to run the Company successfully.
- 7.7 To review the remuneration of Executive Directors and Senior Management and recommend the same to the Board of Directors for consideration to ensure that remuneration is directly related to corporate and individual performance as well as taking into account the Group's performance in managing material sustainability risks and opportunities.
- 7.8 To meet with Nomination Committee on a separate session on the performance of Directors and Senior Management with a view of integrating the information in recommending to the Board the proposed remuneration of Directors and senior management.

## **8. MEETINGS**

- 8.1 The Remuneration Committee shall meet at least once a year or at such other times as the Chairman of the Committee deems necessary. Notice and the meeting materials shall be circulated at least five (5) business days or a shorter period where unavoidable, prior to the meeting, through the post, facsimile, electronic mail or by any means of telecommunication.
- 8.2 Minutes of meeting should be recorded and kept. The Secretary shall circulate signed minutes of the Committee meeting to all members of the Board.
- 8.3 Question arising shall be decided by a majority of votes and determination by a majority of members shall for all purposes be deemed a determination of the Remuneration Committee.
- 8.4 Where necessary and appropriate, any decision of the Remuneration Committee can also be made or passed by way of a written circular resolution.

- 8.5 In the case of equality votes, the Chairman of the meeting shall have a second or casting vote PROVIDED THAT where two (2) members form a quorum; the Chairman of the meeting at which only such a quorum is present; or at which only two (2) members are competent to vote on the question at issue, shall *not* have a casting vote. Decisions and recommendations of the Committee shall be reported to the Board. The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendation of the Committee.
- 8.6 Executive Directors do not participate in discussion on their own remunerations.
- 8.7 A meeting may be convened using telephone and/or the contemporaneous linking together by telephone or such other electronic communication media of the Committee Members not less than the quorum shall deemed to constitute a meeting of the Committee wherever in the world, as long as: -
- (i) the quorum is met;
  - (ii) at the commencement of the meeting each Committee Member acknowledges his presence thereof to all the other members taking part and such participation shall be deemed to be his presence in person;
  - (iii) each of the Committee Members that takes part is able to be heard and hears the other members' subject as mentioned throughout the meeting; and
  - (iv) the Committee Members present at the commencement of the meeting shall not leave the meeting by disconnecting the telephone and the meeting shall be deemed to have been conducted validity notwithstanding that the telephone or electronic communication media is accidentally disconnected during the meeting and provided that no discussions or decisions should be made in respect of matters by the members during disconnection and that if the telephone or electronic communication media cannot be re-connected at all, the meeting shall then be adjourned.

## **9. REVIEW OF THE TERMS OF REFERENCE**

- 9.1 The Remuneration Committee shall recommend any changes to its Term of Reference in such manner as the Remuneration Committee deems appropriate for the Board's approval. The Term of Reference shall be assessed, reviewed and updated when necessary.

**10. REPORTING PROCEDURES**

- 10.1 The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendation of the Committee.
- 10.2 Executive Directors do not participate in discussion on their own remunerations.
- 10.3 The determination of remuneration packages on Non-Executives Directors should be a matter for the Board as whole.
- 10.4 The determination of remuneration packages on Senior Management should be a matter for Executive Chairman subject to the approval of Board as whole or provided it is within the remuneration range approved by the Board
- 10.5 Level of remuneration should be sufficient to attract and retain the Directors needed to run the Company successfully.
- 10.6 Decisions and recommendations of the Committee shall be reported to the Board.



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