



# **TERMS OF REFERENCE REMUNERATION COMMITTEE**

**(VERSION 4.0)**

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## **1. OBJECTIVE**

To review and recommend to the Board of Directors ("Board") a formal and transparent policy on Executive Remuneration and for fixing the remuneration packages of individual Directors, including management development and succession planning.

## **2. COMPOSITION**

- 2.1 The Remuneration Committee ("RC") shall be appointed by the Board from among the Directors of the Company and shall comprise wholly or mainly of Non-Executive Directors.
- 2.2 The RC shall comprise a minimum of three (3) members, with a majority of whom are Non-Executive Directors.
- 2.3 In the event of any vacancy that reduces the RC memberships to fewer than three (3) members, the Board shall fill the vacancy within three (3) months.
- 2.4 A RC member who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he/she retires or resigns. The membership of the RC shall terminate upon the cessation of him/her as a Director of the Company, or as determined by the Board.

## **3. QUORUM**

Two (2) members shall form a quorum for a meeting of the RC.

## **4. CHAIRMAN**

The RC members shall elect a Chairman from among the members who shall be an Independent Non-Executive Director. In the absence of the Chairman of the RC, the remaining members present shall elect one (1) of the members as Chairman of the meeting.

## **5. SECRETARY**

The Secretary of the RC shall be the Company Secretary or his representative

## **6. AUTHORITY**

The RC shall, in accordance with procedures determined by the Board and at the cost of the Company:

- (i) have the resources required to perform its duties; and
- (ii) be able to obtain other professional's advice or other advices.

## **7. SCOPE OF RESPONSIBILITY**

The responsibility of the RC shall include the following:

- 7.1 To recommend to the Board, the remuneration framework and 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 the scope of service contracts for Executive Directors, if any.
- 7.5 To engage external advisers or consultants as it deems necessary to assist in fulfilling its functions.
- 7.6 To oversee the qualitative and quantitative disclosures of remuneration in the Company's Annual Report and/or other means as required by authorities from time to time. The 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 for consideration to ensure that it is aligned with 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 the NC in a separate session to assess the performance of Directors and Senior Management with a view to integrating the information in making remuneration recommendations of Directors and Senior Management to the Board.

## **8. MEETING**

- 8.1 The RC shall meet at least once a year or at such other times as the RC Chairman deems necessary. Any member may request a meeting at any time and the Secretary shall on the requisition of the member, convene a meeting of the RC. The RC may invite any personnel and/or independent parties to attend the meeting, when necessary.
- 8.2 Notices and meeting materials shall be circulated at least five (5) business days in advance or a shorter period where unavoidable, through the post, facsimile, electronic mail or by any means of telecommunication.
- 8.3 The Secretary shall be responsible for keeping the minutes of meeting of the RC and circulating the confirmed minutes to the RC members. The RC members may inspect the minutes of the RC at the registered office or such others place as may be determined by the RC from time to time. The Secretary shall circulate minutes of the RC meeting to all members of the Board.
- 8.4 All decisions of the RC shall be determined by a majority of votes. 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 members are competent to vote on the question at issue, shall not have a casting vote.
- 8.5 Where necessary and appropriate, any decision of the RC can also be made or passed by way of a written circular resolution.
- 8.6 A meeting may be convened using telephone and/or the contemporaneous linking together by telephone or such other electronic communication media of the RC members with not less than the quorum shall deemed to constitute a RC meeting wherever in the world, as long as:
- (i) the quorum is met;
  - (ii) at the commencement of the meeting, each RC member acknowledges his presence to all the other members taking part and such participation shall be deemed to be his presence in person;
  - (iii) each RC member that takes part is able to be heard and hears the other members' subject as mentioned throughout the meeting; and
  - (iv) the RC members present at the commencement of the meeting shall not leave the meeting by disconnecting the telephone and 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 RC 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. REPORTING PROCEDURES**

- 9.1 Decisions and recommendations of the RC shall be reported to the Board. The remuneration of Directors, including Executive and Non-Executive Directors, shall be the ultimate responsibility of the Board as a whole after considering the recommendation of the RC.
- 9.2 Executive Directors do not participate in discussion on their own remunerations.
- 9.3 Remuneration packages of Senior Management shall be proposed by the Executive Chairman and subject to the approval of Board as a whole or provided it is within the remuneration range approved by the Board.
- 9.4 Level of remuneration should be sufficient to attract and retain the Directors needed to run the Company successfully.

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

The RC shall review and recommend changes to its Term of Reference ("TOR") as deems appropriate for the Board's approval. The TOR shall be reviewed at least once for every three (3) years, or as and whenever necessary, to reflect changes in regulatory requirements or the Group's operational needs.



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