



Registration No. 201001016854 (900557-M)  
(Incorporated in Malaysia)

## **TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

### **DEFINITIONS**

"BAuto" or "Company"	:	Bermaz Auto Berhad
"Board"	:	Board of Directors of BAuto
"Group"	:	BAuto and its subsidiaries

### **1. COMPOSITION**

- 1.1 The Remuneration Committee ("Committee") shall have at least three (3) members, all of whom shall be Non-Executive Directors with the majority being Independent Directors.
- 1.2 The Chairman of the Committee and the members shall be appointed by the Board based on the recommendations of the Nomination Committee.
- 1.3 The appointment of a Committee member terminates when the member ceases to be a Director, or as determined by the Board.
- 1.4 The Chairman of the Board and an alternate Director shall not be appointed as a member of the Committee.

### **2. AUTHORITY**

- 2.1 The Committee may seek input from the Executive Chairman and/or the Group Chief Executive Officer of the Company regarding proposals relating to the remuneration of Executive Directors. The Committee may also seek input from other Non-Executive Directors and/or key senior management of the Group in the course of its evaluation.
- 2.2 The Committee shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board and at the cost of the Group. The Committee is authorized by the Board to seek professional advice from external parties as well as information about remuneration practices elsewhere. The Committee may, may, if think fit, invite the external party to brief the Committee and/or the Board. A Director shall not take part in any deliberation involving his/her own remuneration.

**3. SCOPE AND FUNCTIONS**

The scope and functions of the Committee shall include the following:

- 3.1 To develop and agree on the remuneration policy and procedures with the Board, including the fee structure and level of remuneration for Executive Directors, Non-Executive Directors and key senior management and to periodically review the policy and procedures. The policy and procedures shall be periodically reviewed and made available on the Company's website.
- 3.2 To review the Executive Directors' goals and objectives and to assess their performance against these objectives as well as contribution to the corporate strategy.
- 3.3 To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration setting forming a significant proportion of the total remuneration package of the Executive Directors.
- 3.4 In respect of Non-Executive Directors, to ensure via the Board as a whole that the level of remuneration payable reflects the experiences, level of responsibilities and time commitment undertaken by the Non-Executive Directors concerned.
- 3.5 In respect of key senior management, to ensure that the remuneration package commensurate with individual's performance, skills and experience, level of responsibility as well as the market benchmarks.
- 3.6 To ensure that the remuneration packages of the Executive Directors and key senior management are reflective of the current market rates and after taking into account, their merits, qualifications and competences, having regard to the Group's operating results, individual performances and comparable market statistics.
- 3.7 To review and recommend to the Board on the fees, annual salary increment, bonuses, commission and benefits payable to the Directors of the Company including any compensation payable for loss or termination of their office or appointment.
- 3.8 To review and assess the adequacy of the Terms of Reference of the Committee from time to time whenever deem necessary for approval by the Board.
- 3.9 To consider other matters as may be referred to the Committee by the Board.

**4. FREQUENCY AND ATTENDANCE**

- 4.1 The Committee shall meet at least once a year and on other additional meeting(s) as and when required.
- 4.2 The quorum for a meeting of the Committee shall be at least two (2) members, of which one shall be an Independent Director. In the absence of the Chairman of the Committee, the members present shall elect one (1) of their numbers to chair the meeting.
- 4.3 Matters arising at any meeting shall be decided by a majority vote, each member having one (1) vote. In the event of equality of votes, the Chairman of the meeting shall have a casting vote. However, the Chairman of the meeting shall not have a casting vote if only two (2) members are present or when only two (2) members are eligible to vote. The question in issue shall be tabled at the next meeting of the Committee or referred to the Board of the Company, whichever is more expedient.
- 4.4 The meetings of the Committee may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means and the minutes of such a meeting signed by the Chairman of the meeting shall be conclusive of any meeting conducted as aforesaid.
- 4.5 A resolution in writing signed or approved by letter, facsimile or electronic communication by a majority of members shall be effective for all purposes as if it were a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may consist of a single document or several documents all in like form each signed by one or more members. All such resolutions shall be described as “Remuneration Committee Circular Resolution” and shall be recorded by the Secretary in the minutes book.
- 4.6 The Secretary of the Committee shall be appointed by the Committee from time to time. The agenda for the Committee meeting(s) shall be determined by the Chairman of the Committee with input from its members. The Chairman may also request management to be present at the meeting(s) as and when required.
- 4.7 Unless otherwise agreed by all members of the Committee for a shorter period, the notice and agenda for meetings shall be circulated at least five (5) business days prior to the date of meeting to all Committee members and to those who are requested to attend.

- 4.8 Proceedings at meeting shall be properly documented and minutes of meeting to be approved by the Chairman of the meeting or by the Chairman of the next succeeding meeting. Upon approval by the Chairman of the meeting, it shall be conclusive evidence without any further proof of the facts thereon and the minutes of meeting shall then be circulated to the Board.
- 4.9 The Chairman of the Committee shall report to the Board at the next Board meeting following the Committee meeting. Relevant information and supporting documents (if any) shall be provided to the Board for them to make an informed decision and to facilitate making the relevant disclosures and/or announcements to the authorities, where appropriate.
- 4.10 The Committee shall be present at the Annual General Meetings of the Company to assist in responding to any question that may be posed to them by the shareholders.

**5. REVIEW OF THE TERMS OF REFERENCE**

The foregoing Terms of Reference will be amended and modified from time to time in line with any changes in relevant legislation, codes or regulations (in so far as they are applicable to these Terms of Reference and are mandatory), and all such amendments and modifications shall be deemed incorporated without the requirement for further approvals from the Committee and the Board. The Committee and the Board shall thereafter be duly informed of such amendments and modifications. A copy of the Terms of Reference of the Committee is available on the Company's website at [www.bauto.com.my](http://www.bauto.com.my).

Updated on 13 March 2023.