

**ECO WORLD DEVELOPMENT GROUP BERHAD**  
(Registration No. 197401000725 (17777-V))  
(Incorporated in Malaysia)

**TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

1. **Objectives**

The principal objective of the Remuneration Committee (“**RC**”) is to assist the Board of Directors (“**Board**”) in developing and establishing competitive remuneration policy and packages for the Board and Senior Management personnel in the C-Suite Category (“**C-Suite Management**”).

The Board decides on the remuneration package after considering the recommendations of the RC. The individual directors will abstain from discussing their own remuneration.

2. **Composition of members**

The Board shall elect the members of the RC from amongst themselves, and shall consist of not less than three (3) members, comprising exclusively of Non-Executive Directors and a majority of Independent Directors.

The chairman of the Board shall not be appointed as a member of the RC.

In the event of any vacancy in the RC resulting in the number of members of the RC falling below 3, the vacancy shall be filled as soon as possible, but shall not be later than 3 months of that event.

All members of the RC, including the chairman, shall hold office only for so long as they serve as Director of the Company. Members of the RC may relinquish their membership in the RC with prior written notice to the Secretary.

3. **Chairman**

The Chairman of the RC (“**Chairman**”) shall be elected from amongst the RC members as approved by the Board.

In the absence of the Chairman, the members of the RC present shall elect a chairman for the meeting from amongst themselves.

4. **Secretary**

The Secretary of the RC shall be the Company Secretary of the Company.

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**5. Meetings**

- 5.1 The RC may meet together for the despatch of business, adjourn and otherwise regulate their meetings at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at his discretion.
- 5.2 The Secretary shall, on the requisition of the members of the RC, summon a meeting of the RC. Except in the case of an emergency, reasonable notice of every RC meeting shall be given in writing.
- 5.3 The Chief Executive Officer and other Management personnel may be invited to attend meetings to discuss the performance of Executive Directors and C-Suite Management and make proposals as necessary.
- 5.4 Executive Directors should play no part in decisions on their own remuneration.
- 5.5 The members of the RC may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- 5.6 A resolution in writing, signed or approved by majority of the members of the RC, shall be as effectual as if it has been passed at a meeting of the RC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members of the RC. Such resolution may be approved by letter, electronic mail or other electronic communication.

**6. Quorum**

The quorum for a meeting of the RC shall be two (2) members, present in person.

**7. Duties and Responsibilities**

The duties and responsibilities of the RC are as follows:-

- 7.1 To determine and recommend to the Board the general remuneration policy for Executive Directors, Non-Executive Directors and C-Suite Management with the objective of attracting, retaining and motivating Directors and C-Suite Management of the quality required.

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- 7.2 To review and recommend to the Board in relation to the remuneration structures of the Executive Directors, Non-Executive Directors and C-Suite Management in all forms, taking into account the following criteria (where applicable):
- the roles and level of responsibilities;
  - required qualification, skills, competence, experience and time commitment;
  - complexity of the business of the Company and its subsidiaries (“**Group**”);
  - Group’s business strategy and long-term objectives;
  - Group’s performance in operating results as well as managing material sustainability risks and opportunities; and
  - Market statistics of other companies of a similar size in a comparable industry sector.
- 7.3 In respect of Executive Directors, to ensure that the remuneration package commensurate with skills and responsibility expected of the director concerned and is sufficient to attract and retain Directors needed to run the Company successfully.
- 7.4 In respect of Non-Executive Directors, to ensure via the Board as a whole that the remuneration payable reflects the experience, time demanded of the directors to discharge their duties and responsibilities undertaken.
- 7.5 In respect of C-Suite Management, to ensure that the remuneration package commensurate with individual’s performance, skills and experience, level of responsibility as well as the market benchmarks.
- 7.6 To recommend performance bonus, annual increment, market adjustment and promotion increment budget to the Board for consideration and approval.
- 7.7 To consider and examine such other matters as the RC considers appropriate.
- 7.8 To engage external professional advisors to assist and/or advise the RC, on remuneration matters, where necessary.
- 7.9 To review the fees of the Non-Executive Directors and any benefits payable to the them including any compensation for loss of employment of director or former director before presenting to the shareholders for approval.
- 7.10 To provide clarification to shareholders during general meetings on matters pertaining to remuneration of Directors and senior management as well as the overall remuneration framework of the Company.

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- 7.11 To review the policies and procedures of the remuneration framework as and when necessary.
- 7.12 To prepare a RC Report at the end of the financial year for inclusion in the Annual Report.
- 7.13 To act in line with the directions of the Board.

**8. Reporting responsibilities**

- 8.1 The Chairman shall report to the Board on its proceedings after each meeting on all matters within the scope of its duties and responsibilities.
- 8.2 The RC shall make whatever recommendations to the Board it deems appropriate, on any area within its terms of reference and/or where action or improvement is needed.
- 8.3 The RC shall report to the Board on its activities, based on these Terms of Reference.

**9. Review of the Terms of Reference**

The RC shall recommend any changes to its terms of reference in such manner as the RC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated as and when necessary.