

# **Sarawak Cable Berhad**

## **Terms of Reference**

### **Remuneration Committee**

#### **1. Role of the Remuneration Committee (“RC”)**

The RC is essentially a sub-committee of the Board of Directors (“Board”), which assists the Board in determining the remuneration packages of executive directors in all its forms. Hence, it contributes towards strengthening the independence of the remuneration function, which ultimately improves corporate accountability and governance.

#### **2. Primary Objectives**

- (a) To assist the Board in achieving corporate accountability and governance in respect of the remuneration for executive directors of the Company.
- (b) To serve as a “check and balance” mechanism for the Company with the objective:-
  - to fairly reward the executive directors for their contributions to overall performance; and
  - that the compensation is reasonable in light of the Company’s objectives.
- (c) To make recommendation to the Board on fees and allowance of Non-Executive Directors.
- (d) To determine and recommend the general remuneration policy for directors and senior management (where appropriate).
- (e) Communicating with shareholders on executive directors’ remuneration.

#### **3. Composition of the RC**

##### **(a) Members**

The members of the RC must be appointed by the Board among themselves based on the recommendations of the Nomination Committee (“NC”), consisting wholly or mainly non-executive directors, in order to achieve a high degree of independence and objectively thereby ensuring corporate accountability and governance. Membership of the RC should appear in the director’s report.

Generally, members of the RC should not be any person having a relationship with the executive directors, which would interfere with the exercise of independent judgement in carrying out the function of the RC.

The appointment of a RC member terminates when the member ceases to be a director, or as determined by the Board.

The RC members shall have:-

- a good knowledge of the Company and its directors, and a full understanding of shareholders’ concerns; and
- a good understanding, enhanced as necessary by appropriate training or access to professional advice, on/of areas of remuneration.

(b) Composition

The RC shall have at least three (3) members and should not be so large that efficiency is impaired.

If a member of the RC resigns, dies or for any reason ceases to be a member with the resulting number of members is reduced below three (3), the Board shall, within three (3) months of that event, appoint such number of new member as may be required to make up the minimum number of three (3) members, based on the recommendations of the NC.

(c) Chairman

The Chairman of the RC must be a non-executive director and shall be appointed by the Board, based on the recommendations of the NC.

(d) Secretary

The Secretary of the RC shall be the company secretary of the Company or any other person appointed by the Board from time to time.

**4. Meetings of the RC**

(a) Chairman of the Meeting

The RC Chairman shall be the chairman of the meeting. In the absence of the RC Chairman, the members present shall elect one (1) of their numbers to chair that meeting.

(b) Number of Meeting

The RC shall meet at least once a year. Additional meetings may be held as considered necessary by the RC or the RC Chairman.

(c) Agenda

With regard to the agendas of meetings, while there is a fixed one in some cases, agendas can come from a number of sources, chiefly from the RC Chairman, the Managing Director, the Finance Director (if any) and RC members.

The notice and agenda for each meeting including supporting information shall be circulated prior to each meeting to the RC members.

(d) Quorum

The quorum of the RC meeting shall be two (2) members.

#### **4. Meetings of the RC (contd.)**

(e) Meetings and Minutes

In the event of equality of votes, the RC Chairman shall have a casting vote except where two (2) members form the quorum.

A resolution in writing signed by all RC members shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member.

The RC shall cause minutes and circular resolutions to be duly entered in the minutes books. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the RC meeting shall be made available to all Board members upon request.

The RC, through its Chairman, shall report to the Board at the next Board meeting after each RC meeting. When presenting any recommendation to the Board, the RC will provide such background and supporting information as may be necessary for the Board to make an informed decision. The RC shall provide such information to the Board as necessary to assist the Board in making a disclosure in the annual report in accordance with the Listing Requirements of Buras Malaysia Securities Berhad, the Malaysian Code on Corporate Governance and other relevant laws and regulations.

(f) Authority

The RC is authorised by the Board to recommend to the Board to remuneration of the executive directors in all its forms. The actual decision as to the level of remuneration payable will be the responsibility of the full Board after considering the recommendations of the RC. It has unrestricted access to all of the Group's executive directors' records to enable it to discharge its duties. Executive directors should not be involved in the decisions making on their own remuneration.

The RC may consult the Chairman of the Board regarding proposals relating to the remuneration of executive directors. The RC may request other directors and key executives to participate in the meetings, as necessary, to carry out RC's responsibilities.

The RC can make recommendation on the fees and allowance for non-executive directors, including non-executive Chairman to the Board for deliberation and submission to the Company's Annual General Meeting for approval

The RC 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 Company. The RC is authorised by the Board to obtain external legal or other professional advice, as well as information about remuneration practices elsewhere.

The RC may, if it thinks fit, secure the attendance of external advisers with relevant experience and expertise, and shall have the discretion to decide who else other than its own members, shall attend its meetings.

## **5. Duties and Responsibilities of the RC**

- (a) To review non-executive directors' package, executive directors' remuneration packages, compensation and benefits programmes, senior management (Chief Operating Officer and other principal officers identified, where appropriate) remuneration packages and make appropriate recommendations to the Board.
- (b) To recommend to the Board the quantum of bonuses, rewards and incentive structures for the executive directors.
- (c) To determine any other matters/functions as may be delegated by the Board from time to time as may be stipulated in this Terms of Reference.