




3REN BERHAD

Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

**REMUNERATION COMMITTEE
TERMS OF REFERENCE**

	3REN BERHAD Registration No. 202101012445 (1412744-K)	Doc. No:	3R-TOR-RC
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1. Objective

The principal objective of the Remuneration Committee (“**RC**”) is to assist the Board of Directors (“**Board**”) of 3REN Berhad (“**3REN**” or “**the Company**”) and all its subsidiary companies within the Group (“**3REN Group**” or “**the Group**”) to formulate a framework of remuneration for all Directors and key senior management (“**KSM**”) for the Board’s approval and to also ensure that there is balances in determining the remuneration package, which should be sufficient to attract and retain Directors of calibre, and yet not excessive.

For the purpose of this terms of reference, KSM refers to a person, who in the opinion of 3REN, is one who generally holds highest level of management responsibility and decision-making authority within the Group and must include a person who is primarily responsible for the business operations of the Company’s core business and principal subsidiaries. Essentially, KSM is a member of the C-Suite or persons as identified as KSM.

2. Composition

The RC shall be appointed by the Board amongst the Directors of the Company which fulfils the following requirements:

- (i) the RC must not be fewer than three (3) members;
- (ii) all the RC members must be non-executive directors with a majority of them being independent directors; and
- (iii) The Chairperson of the RC shall be appointed by the Board.

No alternate director should be appointed as a member of the RC.

In the event of any vacancy in the RC, the Board shall fill the vacancy within three (3) months of such vacancy.


The terms of office and performance of the RC and each of its members must be reviewed by the Board annually to determine whether the RC and its members have carried out their duties in accordance with their terms of reference.

3. Meetings

Frequency

Meetings shall be held not less than one (1) time a year, with additional meetings convened as and when necessary.

In the interval between RC meetings, for exceptional matters requiring urgent decisions, RC approvals may be sought via circular resolutions to be signed by all members of the RC, and such resolutions shall be accompanied with sufficient information for an informed decision.

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Quorum

Two (2) members shall form a quorum for a meeting of the RC provided that the majority of members present must be independent directors. In the absence of the Chairperson of the RC, the remaining members present shall elect one of their members as Chairperson of the meeting.

Any member of the RC may participate in any meeting of the RC via telephone conferencing, video conferencing or by means of any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

Secretary

The Company Secretary shall be the Secretary of the RC or in his/her absence, another person authorized by the Chairperson of the RC. The Secretary shall be responsible for issuing the agenda with the concurrence of the Chairperson and circulating it, accompanying it with explanatory statements and other relevant documents to RC members prior to each meeting. The Company Secretary is also responsible for keeping the minutes of meetings of the RC, circulating them to RC members and to the other members of the Board and for following up on outstanding matters. The Secretary shall keep the minutes of meetings properly filed and shall produce the minutes of meetings for inspection when necessary.

Notice of Meeting

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than seven (7) days before the date of the meeting, except in the case of an emergency, where reasonable notice of every Committee meeting shall be given in writing. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time or such other period as the members may agree.

Reporting Procedure


The minutes of each meeting shall be circulated by the Company Secretary to the RC members and to all members of the Board.

Attendance

Other Directors and employees, including the Head of Human Resources/Administration and/or external experts, may be invited by the RC to attend any particular meeting of the RC.

4. Rights and Authority


- (i) The RC is authorized by the Board to carry out its duties and responsibilities within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to cooperate on any request made by the RC.

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- (ii) The RC is authorized by the Board to obtain legal advice or other independent professional advice if it deems or considers necessary.

5. Duties and Responsibilities

- (i) To recommend a framework of remuneration for all Directors and KSM for the Board's approval. To ensure that there are balances in determining the remuneration package, which should be sufficient to attract and retain Directors of caliber, and yet not excessive. The framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefit-in-kind;
- (ii) To recommend specific remuneration packages for Executive Directors. The remuneration package should be structured such that it is competitive. Salary scales drawn up should be within the scope of the general business policy and not be dependent on short-term performance to avoid incentives for excessive risk-taking. As for Non-Executive Directors and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board;
- (iii) To ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of Executive Directors and KSM;
- (iv) To review and recommend to our Board the remuneration package of our Executive Directors and if applicable, KSM, which should be aligned with the business strategy, long-term objectives, the Group's/Company's operating results and comparable remuneration statistics in the market of our Group/Company, and drawing from experts, if necessary;
- (v) To review annually the performance of the Directors and recommend to the Board specific adjustments in remuneration and/or reward payments;
- (vi) To formulate policies, guidelines and set criteria for remuneration packages for the Directors and to ensure that the Directors are fairly and appropriately remunerated according to the general market sentiments or conditions;
- (vii) To review and recommend to the Board the compensation payable to the Directors in connection with any loss or termination of their office or appointment or arrangements relating to dismissal or removal for misconduct and to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company/Group;
- (viii) To ensure that all remuneration packages and benefits given to the Directors are in compliance with the laws, rules, requirements, regulations and guidelines set by the relevant authorities and the Board from time to time;
- (ix) To perform any other functions as defined by the Board;

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- (x) To recommend any other compensation and benefits related functions as authorized / defined by the Board as well as to consider and examine such other matters as the RC considers appropriate; and
- (xi) To ensure corporate accountability and governance in respect of the Board remuneration and compensation function.

6. Review of the Terms of Reference

The Board shall review and assess the relevance of the terms of reference of the RC from time to time or when changes to business environment or regulatory requirements necessitate a revision.

7. Revision of the Terms of Reference

The provisions of this terms of reference can be amended and supplemented from time to time by a resolution of the Board.