

YOONG ONN CORPORATION BERHAD
(Company No. 814138-K)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. OBJECTIVES

The primary objectives of the Remuneration Committee is to assist the Board of Directors (“Board”) in its responsibility in assessing and reviewing the remuneration packages of Executive Directors, Non-Executive Directors and Senior Management Staff to reflect and align with their respective job scope, responsibilities and performance.

2. COMPOSITION OF MEMBERS

The members of the Remuneration Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise of at least three (3) members, consisting majority of Independent Non-Executive Directors. No alternate director shall be appointed as a member of the Remuneration Committee. The term of office and performance of the Remuneration Committee and each of its members shall be reviewed by the Board annually to determine whether the members have carried out their duties in accordance with their terms of reference.

If a member of the Remuneration Committee resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

3. CHAIRMAN

The Chairman of the Remuneration Committee shall be elected from amongst the Remuneration Committee members. The Chairman of the Remuneration Committee shall be an Independent Non-Executive Director and approved by the Board of Directors.

4. SECRETARY AND MINUTES

The Company Secretary shall be the Secretary of the Remuneration Committee. The Company Secretary is responsible for the record, prepare and circulate the minutes of the meetings of the Remuneration Committee, and ensure that the minutes are properly kept and produced for inspection if required.

5. TERM OF OFFICE

The term of office and performance of the Remuneration Committee and each of its members shall be reviewed at least once every three years by the board of directors; to assess whether the Remuneration Committee and its members have carried out their duties in accordance with their terms of reference. A formal evaluation of the performance of all Remuneration Committee members should be undertaken by the Nomination Committee.

6. MEETINGS OF THE REMUNERATION COMMITTEE

The Remuneration Committee shall meet at least once a year and as frequently as may be required. In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the meeting.

Subject to the notice and quorum requirements as provided in the Terms of Reference, meeting of the Remuneration Committee may be held and conducted through the telephone or 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 and be counted in a quorum accordingly.

7. QUORUM

The quorum for a meeting of the Remuneration Committee shall consist of two (2) members, of which at least one (1) shall be an Independent Non-Executive Director.

8. NOTICE OF MEETINGS

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with agenda and meeting materials, shall be forwarded to each member of the Remuneration Committee, any other person required to attend and all other non-executive directors, no later than five (5) days before the date of the meeting.

9. AUTHORITY

- a. The Remuneration Committee has the authority to seek any information it requires from any employee of the Company to perform its duties.
- b. The Remuneration Committee has the authority to call for any appropriate person or person to be in attendance to make presentations or furnish or provide independent advice on any matters within the scope of responsibilities.
- c. The Remuneration Committee has the authority to obtain, at the Company's expense, external legal or other professional advice on any matters within its terms of reference.

10. DUTIES AND RESPONSIBILITIES

- a. To review and assess the remuneration packages of the Executive Directors and Senior Management Staff in all forms, with or without other independent professional advice or other outside advice to reflect the Board's responsibilities, expertise and complexity of the Company's activities
- b. To review and recommend to the Board of Directors the remuneration packages of the Executive Directors and Senior Management Staff including salary, annual salary increment, performance bonus, and short term/long term incentives and other benefits in kind depending on various performance measurements of the Group.
- c. The Remuneration Committee shall review the Group's compensation policy and ensure alignment of compensation to corporate performance, and compensation offered in line with market practice.

- d. The Remuneration Committee may recommend the engagement of external professional advisors to assist and/or advise the Remuneration Committee and the Board, on remuneration matters, where necessary.
- e. To ensure the levels of remuneration be sufficiently attractive and be able to retain directors and senior management staff needed to run the Company successfully.
- f. The Remuneration Committee shall provide a report summarising its activities for the year in compliance with the Malaysia Corporate Governance Code, Listing Requirements and any relevant regulations. The report can be incorporated into the corporate governance statement in the annual report or included as a separate report.
- g. To review and recommend the remuneration of non-executive directors to the Board take into consideration fee levels, trends for similar positions in the market, time commitment, additional responsibilities undertaken such as acting as chairman of a board Remuneration Committee. The individuals concerned should abstain from discussion of their own remuneration and all non-executive directors' remuneration is subjected to shareholders' approval in the general meeting.
- h. To consider and examine such other matters as the Remuneration Committee considers appropriate.
- i. To act in line with the directions of the Board of Directors.

11. CIRCULAR RESOLUTION

A resolution in writing, signed by majority of the Remuneration Committee members present in Malaysia for the time being entitled to receive notice of a meeting of the Remuneration Committee, shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more of the members of the Remuneration Committee. The expressions "in writing" and "signed" include approval by telefax, telex, cable or telegram by any such member of the Remuneration Committee.

12. PARTICIPATION IN MEETING BY TELE-CONFERENCE

A Director may participate in a Remuneration Committee meeting by means of a conference telephone or any communication equipment or device which allow all persons all persons participating at the meeting to hear and speak with each other and shall be deemed as present at such meeting.

13. REVISION AND UPDATES

This Terms of Reference will be reviewed and updated at least once a year to ensure it remains consistent with the Remuneration Committee's objectives and responsibilities.