

ADVANCECON HOLDINGS BERHAD
[Registration No. 199701011469 (426965-M)]
(Incorporated In Malaysia)

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

1. OBJECTIVE

The primary objective of the Remuneration Committee (“Committee”) is to establish a documented, formal and transparent procedure for assessing and reviewing the remuneration packages of Executive Directors, Non-Executive Directors and Senior Management that link rewards to corporate and individual performance.

2. COMPOSITION

The members of the Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise of at least three (3) members, consist of Non-Executive Directors and a majority of them must be Independent Directors.

No Alternate Director shall be appointed as a member of the Committee. The term of office and performance of the 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 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 member(s) as may be required to make up the minimum number of three (3) members.

All members of the Committee shall hold office only for so long as they serve as Directors of the Company.

The term of appointment of the members of Committee shall be determined by the Board.

3. CHAIRMANSHIP

The Committee shall elect a Chairman from among its members and the elected Chairman shall be an Independent Non-Executive Director.

4. AUTHORITY

- i) The Committee is authorised to seek any information it requires from any employee (including Executive Directors) of the Company in order to perform its duties;
- ii) The Committee is authorised to call for any appropriate person or persons to be in attendance to make presentations or furnish or provide independent advice on any matters within the scope of responsibilities;

- iii) The Committee is authorised by the Board to obtain, at the Company's expense, external legal or other professional advice on any matters within its terms of reference; and
- iv) The Committee shall not have delegated powers from the Board to implement its recommendations but should be obliged to report its recommendations back to the Board for approval.

5. DUTIES AND RESPONSIBILITIES

- i) To provide assistance and implement the Company's policies and procedures on remuneration including reviewing and recommending matters relating to remuneration and key performance indicators of the Directors and Senior Management.
- ii) To ensure that our Group's remuneration package and key performance indicators are appropriately established after taking into account the demands, complexities and performance of the Company as well as skills and experience required and are aligned with our Group's vision, values and business objectives, market trends and information sources on the rates of salary for similar jobs in selected group of comparable companies;
- iii) Ensure that a fair differential between the remuneration of Directors and Senior Management and other levels of management is maintained;
- iv) The Committee shall review and determine the benefits in kind for the Directors and Senior Management;
- v) To provide assistance to our Board on matters relating to, amongst others, and ensure alignment of management grievances pertaining to compensation, compensation strategy, management development and other compensation arrangements in line with market practice;
- vi) The Committee may recommend the engagement of external professional advisors to assist and/or advise the Committee and the Board, on remuneration matters, where necessary;
- vii) To ensure corporate accountability and governance in respect of our Board remuneration and compensation;
- viii) To perform such other functions as may be requested by our Board; and
- ix) The Committee shall provide a report summarising its activities for the year in compliance with the Malaysian Code on Corporate Governance 2021, Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any relevant regulations. The report can be incorporated into the Corporate Governance Statement in the Annual Report or included as a separate report.

*** Subject to shareholders' approval in the General Meeting, the Board as a whole determines the level of remuneration of the Non-Executive Director of the Company. The review of the remuneration of the Non-Executive Director should take into consideration fee levels and trends for similar positions in the market, time commitment required from the Director and any additional responsibilities undertaken such as a Director acting as Chairman of a Board Committee or as the Senior*

Independent Non-Executive Director. The individuals concerned should abstain from discussion of their own remuneration.

6. MEETINGS

6.1 Frequency of Meeting

The Committee shall meet at least once during a financial year and as frequently as may be required.

Committee shall conduct face-to face meetings, however, subject to the notice and quorum requirements as provided in the Terms of Reference, meetings of the Committee may be held and conducted through 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.

In addition, the Committee may take action by unanimous written consent of its members, including dealing with matters by way of circular resolutions in lieu of convening a formal meeting.

6.2 Quorum

The quorum for a meeting of the Committee shall consist of not less than two (2) members, of which at least one (1) shall be an Independent Non-Executive Director. In the absence of a quorum, the meeting shall be adjourned to such other date and at such other time and venue as the Committee may determine.

In the event the elected Chairman is not able to attend a meeting, a member of the Committee shall be nominated as Chairman for the meeting. The nominated Chairman shall be an Independent Non-Executive Director.

6.3 Notice of Meeting and Supporting Papers

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, any other person required to attend and all other Non-Executive Directors, at least seven (7) days before the date of the meeting. Supporting Papers shall be sent to committee members and to other attendees as appropriate, at the same time.

6.4 Voting

All resolutions of the Committee shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the Committee shall have a second or casting vote.

6.5 Secretary and Minutes of Meeting

The Company Secretary or his nominee or such other persons authorised by the Board shall act as the Secretary of the Committee. The Company Secretary shall record, prepare and circulate the minutes of the meetings of

the Committee and ensure that the minutes are properly kept and produced for inspection if required.

The Company Secretary shall distribute copies of the minutes of Committee meeting to all its members at the next meeting.

The minutes of meetings must be reviewed by the Chairman of Committee before circulation to the members of Committee.

Minutes of meetings shall be tabled to the Board of the Company for information.

The minutes of meetings and conclusions of the meetings should be entered into the Minutes Book kept by the Company Secretary of the Company. 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.

6.6 Circular Resolution

A resolution in writing, signed by a majority of the Committee members present in Malaysia for the time being entitled to receive notice of a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the 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 Committee. The expressions "in writing" and "signed" include approval by text message, telefax, telex, cable or telegram by any such member of the Committee.

7. PARTICIPATION IN MEETING BY TELE-CONFERENCING

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

8. ANNUAL GENERAL MEETING

A member of the Committee shall attend the Annual General Meeting (including Extraordinary General Meeting) to answer any shareholder's questions on Committee's activities.

9. REVISION AND UPDATES

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

END.