

## TERMS OF REFERENCE OF REMUNERATION COMMITTEE

### POH HUAT RESOURCES HOLDING BERHAD (“THE COMPANY”) TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE (THE “COMMITTEE”)

The terms of reference of the Committee are as follows:-

#### **1. OBJECTIVES**

- 1.1. The Committee is primarily responsible for setting the remuneration policy for all executive directors and the company’s chairman, including pension rights and any compensation payments.
- 1.2. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the company and alignment to the company’s long strategic term goals.

#### **2. MEMBERSHIP**

- 2.1. The Committee shall comprise at least two directors. A majority of the members of the Committee shall be independent non-executive directors.
- 2.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as representatives of the Manager and/or Company Secretary may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 2.3. The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the Chairmanship.

#### **3. SECRETARY**

- 3.1. The Company Secretary of the Board, or his or her nominee, shall act as the Secretary of the Committee.

#### **4. QUORUM**

- 4.1. The quorum necessary for the transaction of business shall be two, both of whom must be independent non-executive directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

#### **5. FREQUENCY OF MEETINGS**

- 5.1. The committee shall meet at least once a year and otherwise as required.

#### **6. NOTICE OF MEETINGS**

- 6.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman. 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

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each member of the Committee, any other person required to attend and all other non-executive Directors, no later than four working 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.

### **7. MINUTES OF MEETINGS**

- 7.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.

### **8. ANNUAL GENERAL MEETING**

- 8.1. The Committee Chairman should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

### **9. DUTIES & RESPONSIBILITIES**

The duties and responsibilities of the Committee are as follows:

- 9.1. Determine the remuneration policy of the Company and its subsidiaries and to make recommendations to the Board (for approval by shareholders) on Directors' remuneration policy, remuneration and any other remuneration related matters that may require shareholder approval
- 9.2. Review the adequacy and effectiveness of the remuneration policy of the Company and its subsidiaries in the context of consistent and effective risk management;
- 9.3. Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity.
- 9.4. Approve the design of, and determine targets for, any performance-related pay schemes operated by the company and approve the total annual payments made under such schemes.
- 9.5. Review the design of share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, company secretary and other designated senior executives and the performance targets to be used.

### **10. REPORTING RESPONSIBILITIES**

- 10.1. The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3. The Committee shall ensure that provisions regarding disclosure of information as required by the Bursa Securities Listing Requirements and the Code are fulfilled and produce a report to be included in the Company's Annual Report about its activities.

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### **11. OTHER MATTERS**

The Committee shall:-

- 11.1. have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required.
- 11.2. give due consideration to laws and regulations, the provisions of the Code and Bursa Securities Listing Requirements and any other applicable rules, as appropriate.
- 11.3. arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

### **12. AUTHORITY**

- 12.1. The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

### **13. AMENDMENT, VARIATION AND MODIFICATION**

- 13.1. The Terms of Reference may be amended, varied or modified in writing as and when necessary subject to the Board's approval.

### **14. APPROVAL**

- 14.1. The Committee Terms of Reference was reviewed and approved by the Board of Directors on 30 December 2022.