

NEXGRAM HOLDINGS BERHAD

REMUNERATION COMMITTEE **TERMS OF REFERENCE**

1. NAME

- 1.1 The committee shall be called the Remuneration Committee (“the Committee”).

2. OVERALL OBJECTIVE

- 2.1 The overall objective of the Committee shall be to encourage high performance standards by recommending remuneration policies and packages for Executive Directors, Non-Executive Directors, Managing Director as well as Key Senior Management Personnel of the Company and its subsidiaries (“Group”) that link rewards to corporate and individual performance.

The remuneration policies and packages recommended by the Committee for Executive Chairman, Managing Director, Executive Directors, Non-Executive Directors as well as Key Senior Management Personnel of the Group shall require the approval of the respective Boards of Directors and any changes thereto shall be subject to endorsement of the respective boards of the directors of the Group.

3. MEMBERSHIP

- 3.1 The members of the Committee shall be appointed by the Board of Directors of the Company (“the Board”) from time to time and shall be Directors whose nominations for such appointment have been reviewed and approved by the Nomination Committee. Any member of the Committee may be re-appointed by the Board at any time provided the nomination for such re-appointment has been reviewed and approved by the Nomination Committee.
- 3.2 The Remuneration Committee shall be appointed from amongst the Board and shall:-
 - i) comprise no fewer than three (3) Members; and
 - ii) comprise a majority of Non-Executive Directors.
- 3.3 The members shall appoint the Chairman of the Committee who shall be an Independent Non-Executive Director of the Company.
- 3.4 A member shall automatically cease to be a member of the Committee if he is removed or is disqualified from being a director under any provisions of the laws, rules and regulations of the relevant authorities or if he resigns or retires from the Board.
- 3.5 If a member of the Committee resigns, dies or ceases to be a director or for any other reason ceases to be a member of the Committee resulting in the number of members to be

reduced to less than 3, the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum of three (3) members.

4. MEETINGS

- 4.1 The Committee shall meet at least once a year or any times when necessary for the dispatch of business and adjourn as it may think fit.
- 4.2 No business shall be transacted at the meeting unless a quorum of two (2) members is met.
- 4.3 The Committee may regulate its own procedures and in particular calling of meetings, notice of such meeting to be given, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.
- 4.4 The Secretaries of the Company shall be the Secretaries of the Committee. The Secretaries shall be in attendance and a record of the proceedings shall be kept.

5. FUNCTION AND RESPONSIBILITIES

- 5.1 The Committee shall consider the scope of service agreements and remuneration of Executive Directors of the Group and make such recommendations to the respective Boards of Directors of the Group as the Committee thinks fit.
- 5.2 The Committee shall make recommendations to the respective Boards of Directors of the Group on the remuneration policies and packages of Executive Chairman, Managing Director, Executive Directors and Key Senior Management Personnel of the Group.
- 5.3 The Committee shall on an annual basis and after taking due consideration of the assessment of the Nomination Committee of the effectiveness and contribution of every Director, Executive Chairman, Managing Director, Executive Directors and Key Senior Management Personnel concerned, review the remuneration packages of Directors, Managing Director and Key Senior Management Personnel of the Group.
- 5.4 The Committee shall make recommendations to the respective Boards of Directors of the Group on director's fees and other remuneration of Non-Executive Directors and Independent Directors linking the level of remuneration to their level of responsibilities and contribution to their respective Boards of Directors.
- 5.5 The Committee shall oversee any major changes in employee remuneration and benefit structures throughout the Group.
- 5.6 The Committee may from time to time review policy governing the remuneration of Directors as well as policies governing remuneration and promotion of Key Senior Management Personnel of the Group.

- 5.7 The Committee may recommend to the Board the appointment of the services of such advisers or consultants, as it deems necessary to fulfill the responsibilities.

6. OTHER FUNCTIONS

- 6.1 The Committee may obtain such information as it may require on the remuneration of any executive director, executive officer or employee of the Group.
- 6.2 The Committee shall be entitled to secure the attendance of any person with the relevant experience and expertise at committee meetings if the Committee considers this appropriate.
- 6.3 In considering its recommendations to the respective Boards of Directors of the Group, the Committee shall be entitled to ensure that performance-related elements of remuneration should form a significant proportion of the total remuneration package of Executive Chairman, Managing Director, Executive Directors as well as Key Senior Management Personnel of the Group and should be designed to align their interests with those of shareholders and to give such Executive Chairman, Managing Director, Executive Directors and Key Senior Management Personnel such incentives to perform at the highest levels.
- 6.4 The Committee may recommend to the respective Boards of Directors of the Group, reasonable remuneration packages needed to attract, retain and motivate the Group's Executive Directors and executive officers of the quality required.
- 6.5 The Committee may consider and recommend to the respective Boards of Directors of the Group, where to position the Executive Directors or executive officers relative to other companies and to be aware what comparable companies are paying, taking account of relative performance and using such comparisons with caution.
- 6.6 The Committee shall consider other matters as referred to the Committee by the Board or the Board of Directors of the respective subsidiaries.

7. WRITTEN OR CIRCULATING RESOLUTION

- 7.1 Any resolution in writing, signed or assented to by all the members of the Committee shall be valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted and may consist of several documents in like form each signed by one or more members of the Committee. The expressions "in writing" and "signed" include approval by telefax, telex, cable or telegram by any such member of the Committee.

8. AMENDMENT

8.1 The provisions herein are subject to such revisions by way of modification, addition or otherwise as the Board may from time to time consider fit.