

**CENGILD MEDICAL BERHAD**  
Registration No. 202101004143 (1404442-P)

**TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

**1. MEMBERSHIP**

- 1.1 Members of the Remuneration Committee (“the Committee”) shall be appointed by the Board amongst its Directors and shall comprise at least three (3) members, all of whom must be Non-Executive Directors, and a majority of whom must be Independent Non-Executive Directors.
- 1.2 The Chairman of the Board must not be a member of the Committee.
- 1.3 Where the members of the Committee for any reason are reduced to less than three (3), the Board shall based on the recommendation of the Nominating Committee, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

**2. CHAIRMAN**

- 2.1 The Chairman of the Committee shall be an Independent Non-Executive Director.
- 2.2 In the absent of the Chairman of the Committee, the other members of the Committee shall amongst themselves elect a Chairman who must be an Independent Non-Executive director to chair the meeting.

**3. SECRETARY**

The Company Secretary shall be the Secretary of the Committee.

**4. QUORUM AND MEETING PROCEDURES**

- 4.1 The Committee shall meet at least once a year or as and when the Committee deems necessary to fulfil its responsibilities.
- 4.2 If any member is unable to be physically present, he/she may choose to participate by means of a conference telephone or any other audio, or audio-visual, communication equipment which allows all persons participating in the meeting to hear and speak with each other and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.
- 4.3 The quorum for the meeting shall be two (2) members.
- 4.4 The Company Secretary, in consultation with the Chairman of the Committee, shall draw up the agenda of the meeting. The agenda, together with the relevant support papers, shall be circulated at least five (5) business days, or shorter notice where it is unavoidable prior each meeting to the members of the Committee.

4.5 The Committee may, as and when deemed necessary, invite any Board members or any member of management or consultants, who the Committee thinks fit, to attend its meetings to assist and provide pertinent information as necessary.

4.6 A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairman has the casting vote.

4.7 A member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall abstain from deliberating and voting.

## **5 MINUTES**

5.1 The Company shall cause minutes of all proceedings of the Committee meeting to be entered in books for that purpose. Minutes of each meeting signed by the Chairman of the meeting at which proceedings were held or by the Chairman of the next succeeding meeting.

5.2 Minutes shall be kept by the Company at the Registered Office and shall be open for inspection by any Committee member or Board member.

5.3 The minutes of each Committee meeting shall be distributed to the Board members for notation.

## **6 CIRCULAR RESOLUTION**

6.1 A resolution in writing signed by a majority of the Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.

6.2 The resolution may consist of several documents in like form, each signed by one (1) or more Committee members. Such document may be accepted as sufficiently signed by a Committee member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said Committee member.

## **7 REPORTING**

The Committee, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each Committee meeting. When presenting any recommendations to the Board for approval, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

## **8 AUTHORITY**

- 8.1 The Committee shall in accordance with a procedure to be determined by the Board of Directors and at the expense of the Company:-
- (a) have the resources which are required to perform its duties;
  - (b) have full and unrestricted access to all information and documents within the Group to perform its duties;
  - (c) obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary; and
  - (d) seek input from management on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

## **9 DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee are as follows:-

- 9.1 Review Group's policies and procedures relating to the remuneration of Directors, key senior management and employee consultants of the Group, prior to making its recommendations to the Board for approval.
- 9.2 In determining the remuneration packages of Directors, key senior management and employee consultants of the Group, the Committee should take into consideration the following:-
- (a) technical competency, skills, expertise and experience;
  - (b) qualification and professionalism;
  - (c) integrity;
  - (d) roles and responsibilities;
  - (e) company's performance in managing material sustainability risks and opportunities; and
  - (f) aligned with the business and risks strategies, and long-term objectives of the Group.
- 9.3 Review remuneration packages of Directors, key senior management and the employee consultants of the Group, having regard to the Group's operating results, individual's performance, contribution to the Group and, comparable market statistics, prior to making its recommendations to the Board for approval.
- 9.4 Review compensation policy of Directors and key senior management of the Group and ensure the compensations offered are in line with market practice.

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Terms of Reference of the Remuneration Committee

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- 9.5 Review the overall compensation packages of employee consultants of the Group, having regard to, amongst others, the individual's performance, contribution to the Group and the strategies and long-term objectives of the Group, prior to making its recommendations to the Board for approval
- 9.6 Ensure fees and benefits payable to Directors, and any compensation for loss of employment of Executive Directors are approved by shareholders at General Meetings.
- 9.7 Oversee any major changes in employee remuneration and benefit structures throughout the Group.
- 9.8 Recommend to the Board any performance related pay schemes for the Company or Group.
- 9.9 Recommend to the Board on the appointment of experts or consultants, where necessary to fulfil its responsibilities.
- 9.10 To carry out other responsibilities, functions or assignments as may be agreed by the Board from time to time.

**10 REVIEW OF THE WRITTEN TERM OF REFERENCE**

- 10.1 Any amendments to this term of reference to be approved by the Board. These terms of reference will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Committee's responsibilities.
- 10.2 The written terms of reference will be made to public on the Company's website.