

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

A. MEMBERSHIP

1. The Remuneration Committee (“RC”) of RGT Berhad (“RGTBHD” or “the Company”) shall be appointed by the Board of Directors (“the Board”) from amongst its members, and shall comprise of not fewer than 3 members, consisting wholly or mainly of non-executive directors, at least one member who shall be independent and knowledgeable in executive compensation, failing which expert advice may be obtained internally or externally.
2. No Alternate Director shall be appointed as the Member of the Committee unless the Alternate to the RC Member.
3. The Chairman shall be elected by members of the RC. In the absence of the committee Chairman, the remaining members present shall elect one of their members to chair the meeting.
4. A Secretary shall be nominated by the RC.
5. A member who wishes to retire or resign from the RC shall notify the Board in writing.
6. If a member, for any reason, ceases to be a member, the Board shall appoint a new member so that the number of members does not fall below three.
7. The office of a member shall become vacant upon the member’s resignation/ retirement/removal or disqualification as a Director of the Company.

B. DUTIES, POWERS AND FUNCTIONS

1. The duties of the RC shall be (on an annual basis):
 - (i) to review and recommend to the Board in consultation with Management, a framework of remuneration and to determine the specific remuneration packages and terms of employment for each of the executive Directors of the Company.
 - (ii) to review and recommend to the Board in consultation with Management, a framework of remuneration and to determine the remuneration packages for non-executive Directors of the Company.
 - (iii) to carry out its duties in the manner that it deemed expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time.
 - (iv) to produce an annual reporting of the Committee’s remuneration policy which will form part of the Company’s Annual Report and/or Financial Statements.
2. As part of its review, the RC shall ensure that:
 - (i) all aspects of remuneration including Director’s fees, salaries, allowances, bonuses, options and benefits-in-kind should be covered.
 - (ii) the remuneration packages should be comparable within the industry and companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing the performance of individual executive Directors’ of RGTBHD.

TERMS OF REFERENCE OF REMUNERATION COMMITTEE (Continued...)

B. DUTIES, POWERS AND FUNCTIONS (Continued...)

- (iii) to determine the policy for and scope of service agreements for the Directors, termination payments and compensation commitments, including fixing appointment period for the Directors.
- (iv) to ensure the level of remuneration for Non-executive Directors and Independent Directors are linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board.

C. ADMINISTRATION

1. Meetings

- (i) The meetings of the RC may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means and the minutes of such a meeting signed by the Chairman shall be conclusive of any meeting conducted as aforesaid.
- (ii) A resolution in writing signed or approved by letter, telex or facsimile by a majority of members (of whom must be Non-executive Directors and at least one must be an independent Director) shall be effective for all purposes as if it were a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may consist of a single document or several documents all in like form each signed by one or more members.
- (iii) The meetings shall be held at least once a year. Additional meetings may also be held by the RC to discuss other issues, which the RC considers necessary.
- (iv) The RC shall have full discretion with regard to the calling of the meetings and may invite any Director or management to its meetings.
- (v) The RC shall appoint a secretary who shall attend all meetings and minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance. The minutes shall be confirmed by the Chairman of the meeting and circulated to all members of the RC.
- (vi) The quorum necessary for the transaction of business shall be two of whom must be majority of Non-Executive Directors and at least one must be an independent Director. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretion vested or exercisable by the Committee.

2. Notice

The notice of each meeting of the RC, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the RC not fewer than five (5) days prior to the date of the meeting.

3. Voting

Each member present shall have one vote. All resolutions passed in the meeting shall be by majority votes. If the votes for and against a resolution are equal, the Chairman of the meeting shall have a casting vote

TERMS OF REFERENCE OF REMUNERATION COMMITTEE (Continued...)

D. REMUNERATION POLICY AND PROCEDURES

To ensure the Company's continued ability to attract and retain the most qualified directors who could contribute positively to the growth of the Company, the Board has adopted a Board Remuneration Policy ("BRP")

The BRP is based on the following key principles;

- i) Total remuneration should be set at levels that are competitive with the relevant markets.
- ii) A significant portion of the total reward of an executive director should be performance based.
- iii) Incentive plans, performance measures and targets should be aligned to shareholders' interest.

The remuneration of Executive Director (ED) is be made up of base salaries, monetary incentives and fringes benefits, and is linked to the achievement of corporate performance targets.

The remuneration of Non-Executive Director (NED) is made up of directors' fees and reimbursement of reasonable expenses incurred in the course of performance of their duties.

The ED's play no part in the decision of their remuneration, and all directors' fees are subject to the approval of the Company's shareholders.

The RC will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

As a procedure:

- i) The remuneration packages of NED who serves on the Board and Board Committees is reviewed by the RC annually and thereafter recommend to the Board for their consideration with the Director concerned abstaining from deliberations and voting on decision in respect of his/her individual remuneration package.
- ii) The Board will then recommend the payment of the Directors' fees and other benefits payable to NEDs to the shareholders for approval at each Annual General Meeting.

E. GENERAL

1. The RC in carrying out its tasks under these terms of reference may obtain such external or other independent professional advice as it considers necessary to carry out its duties.
2. The Board will ensure that the RC has access to professional advice both internally and externally at the Company's expense in order for it to perform its duties.
3. These terms of reference may from time to time be amended as required, subject to the approval of the Board.