

**MAGNUM BERHAD (24217-M)**

**REMUNERATION COMMITTEE**

**TERMS OF REFERENCE**

**(I) COMPOSITION OF REMUNERATION COMMITTEE**

**Members**

The Committee shall be appointed by the Board of Directors ("**the Board**") from amongst their members (pursuant to a resolution of the Board) consisting wholly or mainly of non-executive directors.

**Secretary**

The Company Secretary of Magnum Berhad ("**Magnum**" or "**the Company**") shall act as the Secretary of the Remuneration Committee.

**(II) AUTHORITY OF REMUNERATION COMMITTEE**

The Remuneration Committee shall have the authority to make decisions on matters which fall within the purpose and functions of the Remuneration Committee. The Committee shall also have the authority to seek for information and have unrestricted access to anyone in the Group on all Remuneration Committee's matters.

**(III) FUNCTIONS OF REMUNERATION COMMITTEE**

The functions of the Remuneration Committee are as follows:-

- (a) To determine and recommend to the Board the broad policy or framework for remuneration packages of the Company's or Group's executive and non-executive directors, chief executive officers and such other members of the senior management as it is designated to consider.
- (b) To establish a formal and transparent procedure for developing policies on the total individual remuneration package of executive directors and senior management including, where appropriate, allowances, bonuses, incentives, share options and any compensation payable for loss or termination of office.
- (c) To formulate or review and recommend to the Board the remuneration package for all executive and non-executive directors with the aim of attracting, retaining and motivating high caliber directors. Salaries payable to executive directors and fees/allowances payable to non-executive directors shall not include a commission on or percentage of profits or turnover. Fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting.
- (d) To review and recommend to the Board of any change in the executive and non-executive directors' remuneration policy and package and any other issue relating to the benefits of executive and non-executive directors on an annual basis.

- (e) To review any major changes in employee benefit structures throughout the Company or Group and if thought fit, to recommend to the Board for adoption.
- (f) To review and recommend to the Board for adoption the policy or framework for the Company's or Group's employees incentive scheme which may include merit increment, merit bonus and other incentives in respect of each financial year.
- (g) To determine and set performance measures for any incentive plans.

**(IV) MEETINGS AND REPORTING PROCEDURES**

- (a) The Remuneration Committee shall meet at least once a year and at such other time(s) as it deems necessary to fulfill its functions or responsibilities. A quorum of three (3) is required to convene the meeting.
- (b) Other directors and employees shall attend any particular Remuneration Committee meeting only at the invitation of the Remuneration Committee.
- (c) The Secretary of the Remuneration Committee is responsible for:-
  - (i) drawing up the agenda in consultation with the Chairman, and circulating it, supported by explanatory documentation, to the committee members prior to each meeting;
  - (ii) recording attendance of all members and invitees;
  - (iii) preparing and keeping minutes of meetings.
- (d) The Remuneration Committee meeting minutes are to be extended to the Board for notation. The Committee may from time to time submit to the Board its recommendation on matters within its purview for Board's decision.

Approved by the Board of  
Magnum Berhad  
on 18 August 2016