



ComfortRubberGloves

**COMFORT GLOVES BERHAD**  
**Registration No. 193701000006 (852-D)**

(Incorporated in Malaysia)

**Appendix C**

**REMUNERATION COMMITTEE – TERMS OF REFERENCE**

The Remuneration Committee (“**RC or Committee**”) was established on 12 October 2004. The terms of reference of the RC shall be as follows:-

**1. Objectives**

- 1.1 In accordance with the Malaysian Code on Corporate Governance (“**MCCG**”), the Remuneration Committee (“**RC**” or “**Committee**”) of Comfort Gloves Berhad (“**CGB**” or “**the Company**”) is set up to provide recommendations to the Board on the remuneration of the Executive Directors and key senior management of the Company and the Group in all its forms such that the component parts of remuneration are structured to link rewards to corporate and individual performance.
- 1.2 Executive Directors should play no part in decisions on their own remuneration while the remuneration of the Non-Executive Directors should be a matter for the Board as a whole to determine. The individuals concerned should abstain from discussion of and voting on their own remuneration.

**2. Membership**

- 2.1 The Committee shall be appointed by the Board from amongst the Directors of the Company. The Remuneration Committee shall comprise wholly of Non-Executive Directors, the majority of whom are independent. The Committee shall comprise no fewer than 3 members.
- 2.2 The Chairman of the Committee shall be a Non-Executive Director of the Company. In the absence of the Chairman of the Committee, the members present shall elect one of their number who is independent to chair the meeting.
- 2.3 No Alternate Director of the Board or Chairman of the Board shall be appointed as a member of the Committee.
- 2.4 In the event of any vacancy in the Committee which results in the number of members to be reduced to below three (3) and the election of a Chairman, the Board shall fill the vacancy within three (3) months of the event.



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- 2.5 The appointment of a Committee member shall automatically be terminated if the member ceases for any cause to be a director, or as determined by the Board.

**3. Meeting Procedures**

- 3.1 The Committee is to meet at least one (1) time a year or more frequently as the need arises or if so requested by any member of the Committee or by the Chairman of the Board.
- 3.2 Quorum for any meetings shall be two (2) members. In the absence of the Chairman of the Committee, the members present shall elect a Chairman from amongst them.
- 3.3 The Committee may, as and when necessary, invite other Board members and / or key senior management and / or employees to attend the meeting.
- 3.4 The Company Secretary or his/her representative shall be in attendance at each RC meeting and record the proceedings of the meeting thereat.
- 3.5 The Committee shall record its conclusion on issues discussed during meetings and report to the Board at the quarterly Board meetings. The minutes shall be circulated to members of the Board.
- 3.6 Subject to item 3.1 above, in appropriate circumstances, the RC may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the RC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.

**4. Authority**

- 4.1 The Committee shall:
- (a) have explicit authority to investigate any matter within its terms of reference;
  - (b) have the resources which are required to perform its duties;
  - (c) have full and unrestricted access to any information and records pertaining to the Company and Group as well as personnel of the Company and the Group;
  - (d) be able to obtain independent professional or other advice, at the expense of the Company wherever necessary and reasonable and in accordance with a procedure to be determined by the Board of Directors, in order to perform of its duties; and
  - (e) be able to secure the attendance of external advisers and shall have the discretion to decide who else other than its own members to attend meetings, if it thinks fit.
- 4.2 The Chairman of the RC shall engage on a continuous basis with key senior management, such as the Managing Director or Chief Executive Officer and the Chief Financial Officer/Finance Manager in order to be kept informed of matters affecting the Group.



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**5. Secretary**

- 5.1 The Company Secretary shall be the Secretary of the Committee.
- 5.2 The Secretary shall organize and provide assistance at RC meetings and have the following key responsibilities:
- (a) ensure meetings are arranged and held accordingly;
  - (b) assist the Chairman in planning the RC's activities;
  - (c) draw up meeting agendas in consultation with the RC Chairman and maintain the minutes and draft its scheduled activities for the financial year;
  - (d) ensure structured communication channels between the Board and the RC;
  - (e) ensure proceedings of meetings are recorded and the minutes circulated in a timely manner and reviewed by the RC before disseminating them to the Board; and
  - (f) ensure RC recommendations presented to the Board are supported by papers that explain the rationale for the RC's recommendations.

**6. Functions and Responsibilities**

- 6.1 The Committee will undertake the following responsibilities and functions, among others, in fulfilment of the MCGG and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) and report on the same to the Board.
- (a) Determine and recommend to the Board the framework or board policy for the remuneration structure, in all forms, of the Executive Directors and key senior management, drawing from outside advice as necessary; The remuneration shall cover all aspects of remuneration including Directors' Fee, salaries, allowances, bonuses, options and benefit-in-kind;
  - (b) Review and assess the adequacy and relevance of key duties and responsibilities annually and recommend any changes to the policy, as necessary;
  - (c) Determine and recommend to the Board any performance related pay schemes for the Executive Directors and key senior management;
  - (d) Implement/ maintain a reward system for Executive Directors and key senior management based on their performance against the Company's results. The following factors shall be taking into consideration in determining the quantum of remuneration:
    - (a) Position and scope of work
    - (b) Business strategy and long term objectives of the Company
    - (c) Complexity of the Company's activities
    - (d) Performance
    - (e) Number of years of service
    - (f) Experience
    - (g) Salary based on industry standard

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- (e) Review and recommend the entire individual remuneration package for each of the Executive Directors and key senior management;
- (f) Determine the policy for and scope of service agreements for the Executive Directors, termination payment and compensation commitments;
- (g) Determine the remuneration packages of Non-Executive Directors, including Non-Executive Chairman should be a matter for the board as a whole. The individuals concerned should abstain from discussion of their own remuneration;
- (h) Recommend to the Board the appointment of the services of such advisers or consultants as it deems necessary to fulfil its responsibilities; and
- (i) Carry out such other functions as may be agreed to by the Committee and the Board of Directors.

## **7. Reporting**

- 7.1 The Chairman shall, at the conclusion of each meeting, report to the Board on activities that it had undertaken and key recommendations for the Board's consideration and approval as well as follow-up status on any key recommendations from previous meetings.
- 7.2 Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of Bursa Securities' Listing Requirements, the Committee shall promptly report such matter to Bursa Securities.

## **8. Review of the Committee**

- 8.1 The Board of Directors must review the RC (together with other committees) at least once annually to determine whether the Committee has carried out their duties and responsibilities effectively.

## **9. Disclosure**

- 9.1 The RC will prepare an annual report at the end of each financial year to be included and published in the Annual Report of the Company. The RC Report shall include all the prescribed information as stated under the MMLR:
  - (a) Details of the remuneration of the Directors. The remuneration of Directors of the Company (including the remuneration for services rendered to the Group) for the financial year on a named basis, stating the amount received or to be received from the listed issuer and on a group basis respectively. The disclosure must include the amount in each component of the remuneration (e.g. directors' fees, salaries, percentages, bonuses, commission, compensation for loss of office, benefits in kind based on an estimated money value) for each Director; and



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- (b) Membership of the Remuneration Committee.

**10. Review of Terms of Reference**

- 10.1 The terms of reference will be subjected to review from time to time by the Committee and any amendments are to be approved by the Board before becoming effective.
- 10.2 Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.
- 10.3 The Terms of Reference of the RC is available on the Company's website.

**11. Deeming Provisions**

The provisions under this Terms of Reference have been drafted in a manner to incorporate the provisions under the Bursa Securities MMLR and other statutes, regulations and guidelines applicable to the RC (if any). In the event the applicable provisions of the Bursa LR and/or relevant governing statutes, regulations and guidelines relating to the RC are from time to time amended, modified or varied, such amendments, modifications and variations shall be deemed inserted herein whereupon this Terms of Reference shall be read and construed subject to and in accordance with the amended, modified or varied Bursa LR, statutes, regulations and guidelines.

**12. Approval**

This Terms of Reference is revised and adopted by the Board of Directors on 18 February 2022.