

## REMUNERATION COMMITTEE

### TERMS OF REFERENCE

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## REMUNERATION COMMITTEE

### TERMS OF REFERENCE

#### 1.0 DEFINITIONS AND INTERPRETATION

1.1 In this Terms of Reference, where the context so admits the following expressions shall have the following meanings:

“Board”	The Board of Directors of Hibiscus Petroleum;
“Company Secretary”	Company Secretary(ies) of Hibiscus Petroleum;
“Group “	Hibiscus Petroleum Berhad (798322-P) and its subsidiaries
“Hibiscus Petroleum” or “Company”	Hibiscus Petroleum Berhad (798322-P)
“Independent Director”	A director as defined in Chapter 1 of the Listing Requirements
“Listing Requirements”	The Main Market Listing Requirements of Bursa Malaysia Securities Berhad, including any amendments made from time to time
“Member”	A member of the Remuneration Committee as appointed pursuant to this Terms of Reference
“Senior Management”	Employees of the Company who are able to exercise significant influence in making strategic decisions in the Group
“Terms of Reference”	The terms of reference of the Remuneration Committee

1.2 In this Terms of Reference, unless the context otherwise requires:

1.2.1 words importing the masculine gender shall include the feminine, neuter genders and vice versa; and

1.2.2 words importing the singular shall include the plural and vice versa.

## 2.0 POWERS

In carrying out its duties and responsibilities, the Remuneration Committee shall have the following rights:

- (a) The Remuneration Committee shall not have the power to implement its recommendations but shall be obliged to report its recommendations to the Board for its consideration.
- (b) The Remuneration Committee shall have access to all required information and assistance from personnel within the Company or to obtain external professional advice at the Company's cost and to secure the attendance of representatives of such external advisers, if deemed necessary.

## 3.0 COMPOSITION

- (a) The Remuneration Committee must comprise not less than 2 members, consisting of mainly non-executive directors, a majority of whom must be independent:
- (b) No alternate director shall be appointed as a member of the Remuneration Committee; and
- (c) In the event of any vacancy resulting in non-compliance of the minimum of 2 members, the Board shall appoint such number of directors to fill up such vacancy within 3 months of the event.

The Board must review the term of office and performance of the Remuneration Committee and each of its members, at least once every 3 years, to determine whether the Remuneration Committee and members have carried out their duties in accordance with their terms of reference.

## 4.0 DUTIES AND RESPONSIBILITIES

- (a) Recommend the remuneration package and key terms of employment for the executive directors, which shall be approved by the Board as a whole. Determination of the remuneration packages of non-executive directors should be determined by the Board as a whole. The individuals concerned shall abstain from discussion or decision of their own remuneration;
- (b) The level of remuneration shall be aligned with the financial position of the Group in its ability to offer remuneration on par with that offered in the current market environment:

In reviewing the level of remuneration, the Remuneration Committee shall consider the following:

- (i) The executive directors' remuneration should be of a sufficient level to attract and retain high calibre executive directors to successfully run the Company;
  - (ii) The non-executive directors' fees should reflect their respective levels of experience, expertise and responsibilities; and
  - (iii) The non-executive directors' fees shall be subject to shareholders' approval at a general meeting of the Company.
- (c) Recommend to the Board the remuneration packages of the Managing Director, all C-Suites or high-ranking officers reporting directly to the Managing Director, and any other senior officer(s) deemed appropriate by the Board taking into consideration the performance appraisal(s) reviewed by the Nominating Committee.
- (d) Review Management's proposed budget and final recommended pay-out (based on actual performance) of the annual salary increment and bonus for the Group. The proposals shall be reasonable and benchmarked against the level of remuneration accorded by comparable companies in the industry.

#### **5.0 COMMITTEE MEETINGS**

- (a) The Remuneration Committee shall meet at least once in the financial year and additional meetings may be called at any time, at the discretion of the Chairman of the Committee especially when there are major changes to executive directors and corporate structure within the Company; and
- (b) The quorum for a meeting shall be 2 members.

#### **6.0 REVISION OF THE TERMS OF REFERENCE**

- (a) Any revision or amendment to this Terms of Reference, as proposed by the Remuneration Committee or any third party, shall first be presented to the Board for its approval; and
- (b) 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.