

**OVERSEA ENTERPRISE BERHAD**  
(Company No. 317155-U)  
(Incorporated in Malaysia)

**TERMS OF REFERENCE**

**Remuneration Committee**

**1. OBJECTIVES**

To assist the Board of Directors (“Board”) in assessing the remuneration packages of the executive directors.

**2. COMPOSITION**

The members of the RC shall be appointed by the Board from among themselves and shall consist not less than three members. The RC shall comprise a majority of Non-Executive Directors.

**3. CHAIRMAN**

The members of the RC shall elect a Chairman from among its members who shall be an Independent Non-Executive Director. The appointment of the Chairman of the RC shall be approved by the Board of Directors.

**4. AUTHORITY**

The Board has constituted the RC with the authorities necessary to perform the duties set out in these Terms of Reference, as follows:-

- i. Full, free and unrestricted access to any information, records, property and personnel of the Group;
- ii. The RC, within the scope of its assigned duties, is authorised to seek any information it requires from the Human Resource Department;
- iii. The RC may engage independent legal or other professional services, as it requires and at the expense of the Company, with prior consent from the Board; and
- iv. The RC shall be provided with sufficient resources to undertake its duties, including access to the company secretariat.

**5. SECRETARY**

The Company Secretary shall act as Secretary to the RC and shall be responsible to minute the proceedings and resolutions of all meetings of the RC, keeping minutes of meetings of the RC and circulating them to the RC members.

**6. MEETINGS**

The RC shall meet at least once a year. The Secretary shall on the requisition of the members

of the RC summon a meeting of the RC. Additional meetings may be held anytime at the Chairman's discretion. The RC's Chairman shall report the outcome of the RC meeting to the Board and seek for approval or decision, if required.

Minutes of meeting shall be distributed to the RC's members and shall be approved by the Chairman of the meeting at which the proceedings are held or by the Chairman of the next succeeding meeting.

#### **7. QUORUM AND CASTING VOTE**

The quorum of the meeting shall be two members of whom at least one must be an Independent Director. In the absence of the Chairman, the members shall elect from among themselves the Chairman for the Meeting. The RC's Chairman shall have a second or casting vote. However, where only two members (including the RC's Chairman) are competent to vote on question at issue, the RC's Chairman shall not have a casting vote.

#### **8. CIRCULAR RESOLUTION**

The RC may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via a circular resolution in writing, in lieu of formally convening a meeting. The circular resolution shall be as valid and effectual as if it has been passed by a meeting of the RC duly convened. The RC's circular resolution must be signed or approved by a majority of the RC members. The interested RC's member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

#### **9. ANNUAL PERFORMANCE ASSESSMENT**

The RC shall perform a self-assessment annually to assess its effectiveness in carrying out the duties as set out in this Terms of Reference.

The Board with the assistance of the Nomination Committee shall review the composition, performance and effectiveness of the RC and each of its members annually to determine the effectiveness of the RC and each of its members in carrying out the duties as set out in this Terms of Reference.

#### **10. DUTIES AND RESPONSIBILITIES**

- i. To ensure the remuneration for Directors is set at a competitive level to recruit, attract, retain and motivate high calibre individuals;
- ii. To recommend to the Board the remuneration packages for the Executive Directors and to review and assess the remuneration packages of the Executive Directors in all forms, with or without other independent professional advice or other outside advice to reflect the Board's responsibilities, expertise and complexity of the Company's activities;
- iii. To determine and agree with the Board an appropriate framework, assessing Directors' performance against targets and determine resultant annual remuneration levels;
- iv. To determine the policy and scope of service agreements for Directors termination payment and compensation commitments;
- v. To determine and recommend to the Board any performance related pay schemes for the Executive Directors and/or any other persons as the RC is designated to consider by the Board; and
- vi. Review and recommend to the Board a formal and transparent remuneration policy and framework for Non-Executive Directors.

## 11. REVIEW OF THE TERMS OF REFERENCE

The RC shall, from time to time and at any time that it deems necessary, review its Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval. In reviewing the Terms of Reference, the RC shall take into consideration any relevant corporate governance guidelines and may seek advice and input from the RC's Secretary.

### HISTORY

Date	Description
06.11.2009	Establishment
17.05.2010	Revision 1
16.05.2011	Revision 2
30.06.2016	Revision 3