



## **1. COMPOSITION**

The composition of the Remuneration Committee (“**RC**” or “**Committee**”) of Sik Cheong Berhad (“**Sik Cheong**” or the “**Company**”) shall be appointed by the Board of Directors of the Company (“**Board**”) from among its members and shall comprise no fewer than three (3) members, all of whom must be Non-Executive Directors and a majority of whom must be Independent Non-Executive Directors. No alternate director shall be appointed as a member of the Committee.

The chairman of the Board must not be a member of the RC.

The Board may from time to time and at its absolute discretion, revise the composition, roles, and responsibilities of the Committee.

Where the members of the RC for any reason are reduced to less than three (3), the Board shall based on the recommendation of the Nomination Committee within three (3) months from the occurrence of the event, appoint such number of new member(s) as may be required to make up the minimum number of three (3) members.

## **2. CHAIRMAN**

The Committee shall elect a chairman from amongst its members (“**Chairman**”) who shall be an Independent Non-Executive Director and the elected Chairman of the Committee shall be approved by the Board.

All members of the Committee, including the Chairman, shall hold office only for so long as they serve as a Director of the Company. Members of the Committee may relinquish their membership in the Committee with prior written notice to the Board.

If the elected Chairman is not able to attend the Committee meeting, the other members of the Committee shall amongst themselves elect a chairman who must be an Independent Non-Executive Director to chair the meeting.

## **3. MEETINGS**

### **i. Meetings**

The Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at his discretion.

If any issues requiring the Committee’s decision arise between meetings, such issues shall be resolved through written resolution of the Committee. A written resolution in writing signed or approved by a majority of the members of the Committee entitled to vote and sign on the resolution, if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Committee member shall be as valid and effectual as if it were a resolution duly passed at a Committee meeting. Any such resolution may consist of several documents in like form, each signed by one (1) or more Committee members.

For the Committee’s meetings (except in the case of an emergency), reasonable notice shall be given in writing to all the members of the Committee.

Unless otherwise agreed, notice of each meeting containing the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, no later than five (5) working days, or shorter notice where it is unavoidable before the date of the meeting.



A matter put to vote at the Committee's meetings shall be decided by a simple majority of the votes, each member of the Committee having 1 vote. In the case of an equality of votes, where two (2) members form a quorum, the chairman of a meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue, shall not have a casting vote. Otherwise in the case of an equality of votes, the chairman has a second or casting vote.

A member of the RC who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall abstain from deliberating and voting.

The members of the Committee may participate in a meeting by means of conference telephone, conference videophone or any other audio visual or other communications equipment which allows all persons participating in the meeting to hear and speak with each other. Participation in a meeting in the aforesaid manner shall constitute presence in person at such meeting and shall be entitled to vote and be counted in a quorum accordingly.

Other Board members and senior management may be invited to attend the Committee meetings.

Executive Directors should not be involved in the decision making process relating to their own remuneration.

**ii. Quorum**

A minimum of two (2) members present shall form the quorum, the majority of members present must be Independent Non-Executive Directors.

**iii. Secretary of the Committee**

The Company Secretary(ies) shall be the secretary of the Committee. The Secretary(ies) shall issue and circulate the notice and minutes of the Committee to all members of the Committee.

**iv. Minutes of the Committee Meeting**

Every meeting of the Committee shall be minuted either by the Company Secretary(ies) or Assistant Company Secretary or any other person approved by the Committee and such minutes shall be confirmed by the Committee at the next succeeding Committee meeting.

The Minutes of each meeting shall be signed by the Chairman of that meeting or by the Chairman of the next succeeding meeting and shall be evidence of the proceedings that the meeting was duly convened and held.

Minutes of each meeting shall be kept at the Registered Office of the Company and distributed to each member of the Committee and also to the other members of the Board.

**4. FUNCTIONS OF THE COMMITTEE**

The Committee is responsible for the following functions:

- i. Reviewing and recommending appropriate remuneration packages for all Directors and senior management with or without professional advice, in all forms inclusive of cash and non-cash benefits, options and privileges granted by the Company. The remuneration packages should be sufficient to attract and retain the Director needed to run the Company successfully and take into consideration the Company's performance in managing material sustainability risks and opportunities.



- ii. Reviewing and recommending on annual basis, fees and benefits payable to the Directors, and any compensation for loss of employment of Executive Directors.
- iii. Assisting the Board in formulating formal and transparent policies and guidelines for the composition of various components of remuneration such as fixing the salary, bonus and other benefits and compensation payable on termination of the service contract by the Company and/or Group for Directors and senior management.
- iv. Ensuring that remuneration packages and benefits for Directors and senior management align with the Company's business strategies, long-term objectives, and remuneration policy, as well as comply with all laws, rules, regulations and guidelines set by relevant authorities and the Board.
- v. Developing and administering a fair and transparent procedure for setting policy on the remuneration of Directors and senior management, which considers the demands, complexities, and performance of the Company as well as the skills and experience required.
- vi. Implementing the Board's remuneration policy and procedures in a transparent process including reviewing and recommending matters related to the remuneration of the Board and senior management.
- vii. Ensuring that the level of remuneration packages is fair and appropriate according to the similar industry, general market sentiment / condition and the Company's operating results as well as the Director's or senior management's merit, qualification, competence and individual performance.
- viii. Ensuring that appropriate rewards, benefits, compensation, and remuneration are offered to retain Directors and structuring remuneration packages to link rewards to individual performance.
- ix. Carrying out any other functions delegated by the Board that would benefit the Company and ensure the effective discharge of the Committee's duties and responsibilities.

## **5. ADVISER**

The Committee is authorised by the Board to seek appropriate professional advice, both internally and externally, at the Company's expense, whenever it deems necessary.

## **6. REPORTING RESPONSIBILITIES**

- i. The Chairman shall report to the Board on its proceedings after each meeting on all matters within the scope of its duties and responsibilities.
- ii. The Committee shall make whatever recommendations to the Board it deems appropriate, on any area within its terms of reference and/or where action or improvement is needed.
- iii. The Committee shall regularly report to the Board on its activities based on this Terms of Reference.

## **7. GENERAL MEETINGS**

The Chairman shall attend general meetings of the Company to respond to any queries or concerns regarding the Committee's functions and responsibilities and provide updates on its activities.



## **8. REVIEW OF THE TERMS OF REFERENCE**

The Committee is responsible for periodically reviewing this Terms of Reference and recommending any necessary changes to ensure its continued relevance and viability. Such changes may be necessary in response to updates to the Malaysian Code on Corporate Governance, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, or other regulatory requirements.

This Terms of Reference should also be reviewed and updated if there are changes to the Company's direction or strategies that could impact the Committee's role and ability to meet its objectives. Any recommended changes will be submitted to the Board for approval. This Terms of Reference must be made available on the Company's website.

This Terms of Reference (Version No. 1) was reviewed and adopted by the Board on 28 December 2023.