



OMESTI BERHAD
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**TERMS OF REFERENCE OF
REMUNERATION COMMITTEE**



Terms of Reference of Remuneration Committee

1. OBJECTIVES

The principal objective of the Remuneration Committee is to assist the Board of Directors in their responsibilities in assessing the remuneration packages of the Executive Directors and Senior Management.

2. COMPOSITION OF MEMBERS

The Board of Directors shall elect the members of the Remuneration Committee from amongst themselves, composed of non-executive directors and majority are independent directors. An appointment to the Remuneration Committee will terminate when the member ceases to be a director, or as and when determined by the Board of Directors.

3. CHAIRMAN

The Chairman of the Remuneration Committee shall be elected from amongst the Remuneration Committee members who shall be a non-Executive Director. The Chairman of the Committee shall be approved by the Board of Directors.

The Chairman of the Remuneration Committee shall be available to answer questions about the work of the Remuneration Committee at the Annual General Meeting of the Company.

4. SECRETARY

The Secretary of the Remuneration Committee shall be the Company Secretary of the Company.

5. MEETINGS

The Remuneration 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 the Chairman's discretion.

The Remuneration Committee may consult other Non-Executive Directors in its evaluation of the Managing Director / Chief Executive Officer, the Executive Directors and Senior Management. The Remuneration Committee may request other Directors and key executives to participate in Remuneration Committee meetings, as necessary, to carry out the Remuneration Committee's responsibilities.

The Secretary shall on the requisition of the members of the Remuneration Committee summon a meeting of the Remuneration Committee. Except in the case of an emergency, reasonable notice of every Remuneration Committee meeting shall be given in writing.



The Remuneration Committee through its Chairman, shall report to the Board of Directors at the next Board of Directors meeting after each Remuneration Committee meeting. When presenting any recommendation to the Board of Directors, the Remuneration Committee shall provide such background and supporting information as may be necessary for the Board of Directors to make an informed decision. The Remuneration Committee shall provide such information to the Board of Directors as necessary to assist the Board of Directors in making a disclosure in the Annual Report in accordance with the Principles of the Malaysian Code on Corporate Governance and Appendix 9C, Part A of the Listing Requirements of Bursa Malaysia Securities Berhad.

6. QUORUM

A quorum shall consist of two (2) members.

7. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Remuneration Committee are as follows:

- To review and recommend the remuneration structure and policy for Executive Directors and Senior Management, including the terms of employment or contract of employment/service, any benefit, pension or incentive scheme entitlement, any other bonuses, fees and expenses and any other compensation payable on the termination of service contract by the Company and to review changes to the policy, where applicable;
- To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance related elements of remuneration setting forms a significant proportion of the total remuneration package of Executive Directors and Senior Management;
- To ensure the levels of remuneration is sufficiently attractive to be able to retain directors needed to run the Company successfully;
- To review and recommend the entire individual remuneration packages for each of the Executive Directors and Senior Management;
- To recommend to the Board of Directors the remuneration framework for the Non-Executive Directors.
- To consider other matters as referred to the Remuneration Committee by the Board of Directors.