

PCCS GROUP BERHAD

[Registration No. 199301026191 (280929-K)]
(Incorporated in Malaysia)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

(revised as at 28 June 2022)

1. Objectives

The principal objectives of the Remuneration Committee are to assist the Board of Directors ("**Board**") in their responsibilities: -

- (a) to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration, fee and other benefits of the Board and senior management.
- (b) to ensure that all Directors and senior management are fairly rewarded for their individual contribution to the Company's overall performance and that the remuneration is commensurate with the level of executive responsibility and is appropriate in light of the Company's performance.

2. Composition of members

The Board shall elect the Remuneration Committee members from amongst themselves, composed exclusively of Non-Executive Directors of which a majority of whom are independent. The term of office of the Remuneration Committee shall be for such time as determined by the Board and may be re-nominated and appointed by the Board from time to time.

3. Chairman

The Chairman of the Remuneration Committee shall be elected from amongst the Remuneration Committee members. The Chairman of the Committee shall be approved by the Board of Directors.

4. Secretary(ies)

The Secretary(ies) of the Remuneration Committee shall be the Company Secretary(ies) of the Company.

The Secretary(ies) shall be responsible for drawing up the agenda and circulating it prior to each meeting and keeping the minutes of meetings of the Remuneration Committee.

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 or any member of Remuneration Committee may call for additional meetings at any time at their discretion.

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 sent through the post, facsimile, electronic mail

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and by any means of telecommunication in permanent written form to all the Remuneration Committee members unless the Remuneration Committee waives such requirement.

The Remuneration Committee may hold a committee meeting at two (2) or more venues within or outside Malaysia using any technology that gives the Remuneration Committee members as a whole a reasonable opportunity to participate. Any member of the Remuneration Committee participates at a Remuneration Committee meeting by way of telephone and video conferencing or by means of other communication equipment whereby all persons participating in the meeting are able to hear each other and be heard for the entire duration of the meeting in which event such member shall be deemed to be present at the meeting. A member participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the members attending the meeting provided that at least one (1) of the Remuneration Committee members present at the meeting was at such place for the duration of that meeting. All information and documents must be made equally available to all participants prior to or at/during the meeting.

Questions arising at any meeting of the Remuneration Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Remuneration Committee shall have a second or casting vote.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the meeting.

6. Circular Resolution

A resolution in writing signed or approved by letter, telex or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Remuneration Committee Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary(ies) without delay and shall be recorded by the Company Secretary(ies) in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members. Any such document, may be accepted as sufficiently signed by a Remuneration Committee Member if transmitted to Company by electronic mail, mobile messaging application, telex, telegram, cable, facsimile or other electrical or digital written message purporting to include a signature of a Remuneration Committee Member.

7. Quorum

A quorum shall consist of two (2) members.

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(Terms of Reference of Remuneration Committee - cont'd)

8. Authority

The Remuneration Committee shall, in accordance with a formal and transparent procedure or process or policy to determine the remuneration of Directors and at the expense of the Company: -

- (a) shall review, assess and recommend to the Board the remuneration packages of the Directors and senior management in all forms, with other independent professional advice or outside advice as necessary.
- (b) shall select, engage and obtain, at the cost of the Company, professional advice, if needed, to enable the Remuneration Committee to carry out its duties.
- (b) shall be entitled to the services of a Company Secretary(ies) who must ensure that all decisions made on the remuneration packages of the Directors be properly recorded and minuted in the minutes book.

9. Duties and Responsibilities

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

- To review and assess the remuneration packages of the Executive Directors in all forms, with or without independent professional advice or other outside advice to reflect the Board's responsibilities, expertise and complexity of the Company's activities.
- To ensure the levels of remuneration be sufficiently attractive and be able to retain Directors and senior management needed to run the Company successfully, which takes into consideration the Company's performance in managing material sustainability risks and opportunities.
- To structure the component parts of remuneration so as to align with the business strategy and long-term objectives of the Company and to link rewards to individual performance and to assess the needs of the Company for talent at Board level at a particular time.
- To ensure that the remuneration and incentives for Independent Directors do not conflict with their obligations to bring objective and independent judgement to the Board.
- To develop and administer a fair and transparent procedure for setting policies, strategies and framework for the remuneration of Directors and senior management.
- To ensure that remuneration packages are proposed on the basis of the Directors' merit, qualification and competence, having regard to the Company's operating results, individual performance and comparable market statistics.

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- To recommend to the Board of Directors the remuneration packages of the Executive Directors.
- To act in line with the directions of the Board of Directors.
- To consider and examine such other matters as the Remuneration Committee considers appropriate.
- To review and assess the remuneration packages of the Group's Directors and senior management in all forms, with or without other independent professional advice or other outside advice and to recommend the same to the Board.

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