



**GAGASAN NADI CERGAS**  
BERHAD (1238966-U)

**REMUNERATION COMMITTEE'S  
TERMS OF REFERENCE**

Document Title: <b>TERMS OF REFERENCE – REMUNERATION COMMITTEE</b>	Company	Gagasan Nadi Cergas Berhad
	Department	QA/QC and Compliance
	Issue No.	1
	Revision No.	1
	Reference No.	GNCB/QAC/TOR/RC02/1.1
	Effective Date	18 July 2025

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## 1. Objectives

The primary objective of the Remuneration Committee (“RC”) is to assist the Board of Directors (“Board”) in developing and establishing competitive remuneration policies and packages for the Board and Senior Management personnel.

The Board decides on the remuneration package after considering the RC's recommendations. The individual directors will abstain from discussing their remuneration.

## 2. Membership

The Board shall appoint members of the RC amongst its Directors and shall comprise at least 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 RC.

Where the RC members are reduced to less than three (3) for any reason, 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 members as may be required to make up the minimum number of three (3) members.

## 3. Chairperson

The Chairperson of the RC shall be an Independent Non-Executive Director.

In the absence of the Chairperson, the other members of the RC shall amongst themselves elect a Chairperson who must be an Independent Non-Executive Director to chair the meeting.

## 4. Secretary

The Company Secretary shall be the Secretary of the RC.

The Company Secretary, in consultation with the Chairperson of the RC, shall draw up the agenda of the meeting. The agenda, together with the relevant support papers, shall be circulated at least five (5) business days or shorter notice, where it is unavoidable, prior to each meeting to the members of the RC.

## 5. Quorum and Meeting Procedures

The RC shall meet at least once a year or as and when the RC deems necessary to fulfil its responsibilities.

If any member is unable to be physically present, he/she may choose to participate by means of a conference telephone or any other audio, or audio-visual, communication

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equipment which allows all persons participating in the meeting to hear and speak with each other and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.

The quorum for the meeting shall be two (2) members.

Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the committee, any other person required to attend and all other non-executive directors no later than fourteen (14) days before the date of the meeting.

A matter put to vote at the RC meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairperson has the casting vote. The Chairperson shall not have a casting vote when only two (2) members (one of whom is the Chairperson) form a quorum or when only two (2) members are competent to vote on the question at issue.

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 RC may, as and when deemed necessary, invite any Board members or any member of management or consultants, who the RC thinks fit, to attend its meetings to assist and provide pertinent information as necessary.

## **6. Minutes**

The Company shall ensure that minutes of all proceedings of the RC meeting are entered in books for that purpose. Minutes of each meeting are signed by the Chairperson of the meeting at which proceedings were held or by the Chairperson of the next succeeding meeting.

Minutes shall be kept by the Company at the Registered Office and shall be open for inspection by any RC member or Board member. The minutes of each RC meeting shall be distributed to the Board members for notation.

## **7. Circular Resolution**

A resolution in writing signed by a majority of the RC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the RC duly called and constituted.

The resolution may consist of several similar documents, each signed by one (1) or more RC members. Such documents may be accepted as sufficiently signed by an RC member

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if it is transmitted to the Company by facsimile or other electronic or digital written message, which includes a signature of the said RC member.

## 8. Authority

The RC shall in accordance with a procedure to be determined by the Board of Directors and at the expense of the Company:

- have the resources which are required to perform its duties;
- have full and unrestricted access to all information and documents within the Company and its subsidiaries (the “Group”) to perform its duties;
- seek input from management on remuneration policies, but no individual should be directly involved in deciding their remuneration; and
- obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary.

## 9. Duties and Responsibilities

The duties and responsibilities of the RC are as follows:

- Implement the Group’s policies and procedures on remuneration, including reviewing and recommending matters relating to the remuneration of Directors and senior management, and recommending to the Board for approval;
- Review policies and procedures on remuneration of Directors and senior management, to ensure that remuneration packages are determined on the basis of the individual’s merit, qualification and competence, after taking into consideration the complexity of the Group’s business and performance, individual’s responsibilities, comparable market statistics, and their roles in addressing the company’s material sustainability risks and opportunities and achieving sustainability targets;
- In determining the remuneration packages of Directors and senior management, the Committee should take into consideration the following:
  - a) qualification and professionalism;
  - b) technical competency, skills, expertise and experience;
  - c) roles and responsibilities; and
  - d) aligned with the business and risk strategies and long-term objectives of the Group.
- Review the Remuneration Policy of Directors and Senior Management, and ensure the compensation offered is in line with market practice;
- Ensure fees and benefits payable to Directors and any compensation for loss of employment of Executive Directors are approved by shareholders at general meetings;
- Recommend any performance-related pay schemes for the Company or Group to the Board;

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- Recommend to the Board the appointment of experts or consultants, where necessary, to fulfil its responsibilities;
- Review major changes in employee remuneration and benefit structures throughout the Group; and
- To carry out other responsibilities, functions or assignments as may be agreed by the Board from time to time.

#### **10. Reporting**

The RC, through its Chairperson, shall report a summary of significant matters to the Board at the next Board meeting after each RC meeting. When presenting any recommendations to the Board for approval, the RC shall provide the necessary background and supporting information to enable the Board to make an informed decision.

#### **11. Review of the Terms of Reference**

Where necessary, these Terms of Reference will be reviewed and updated to ensure they remain consistent with the Committee's objectives and responsibilities. Any revision or amendment as proposed by the Committee or any third party shall be presented to the Board for its approval.

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