

**PUC BERHAD**  
**(Company No. 451734-A)**

**TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

**COMPOSITION**

The Remuneration Committee of PUC Berhad (“PUC” or “the Company”) shall be appointed by the Directors from among themselves via a Director’s resolution and shall compose of wholly Non-Executive Directors, majority Independent Directors.

The members of the Remuneration Committee shall elect a Chairman from among themselves who is an Independent and Non-Executive Director of PUC. All members of the Remuneration Committee, including the Chairman, will hold office only so long as they serve as Directors of PUC.

**TERMS OF REFERENCE**

**Objective**

The objective of the Remuneration Committee is to set the policy framework to implement its policy and procedures, and to make recommendations to the Board on all elements of the remuneration, terms of employment, reward structure and fringe benefits for Managing Directors, Executive Directors, the Chief Executive Officers and other selected top management positions with the aim to attract, retain and motivate individuals of the highest quality.

Executive Directors shall abstain from the deliberations and voting on decisions in respect of their remuneration package.

The remuneration and entitlements of the Non-Executive Directors shall be a matter to be decided by the Board of Directors as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration.

**Authority**

In carrying out its duties and responsibilities, the Remuneration Committee will in principle have access to PUC’s records, properties and personnel. The Remuneration Committee may obtain the advice of external consultants on the appropriateness of remuneration package and other employment conditions if required.

The Remuneration Committee will review the compensation of Executive Directors, the Managing Director and recommend appropriate adjustments to the Board of Directors for their approval.

### **Duties and Responsibilities**

The following are the main duties and responsibilities of the Remuneration Committee collectively. These are not exhaustive and can be augmented if necessary by Board approval:-

- Set, review, recommend and advise the policy framework on all elements of the remuneration such as reward structure, fringe benefits and other terms of employment of Executive Directors and the Managing Director having regard to the overall Group policy guidelines/framework.
- Advise the Board on the performance of the Executive Directors and the Managing Director and an assessment of his/her entitlement to performance related pay. The Remuneration Committee should also advise the Managing Director on the remuneration and terms and conditions (and where appropriate, severance payments) of senior staff (defined as the small group of staff who report directly to the Managing Director).
- Review the history of and proposals for the remuneration package of the Company's committees.

### **Meetings**

The Remuneration Committee shall meet at least once a year or as and when required and report to the Board after each meeting.

The Remuneration Committee Meetings shall be chaired by the Chairman of the Remuneration Committee. In the absence of the Chairman of the Remuneration Committee, the members present shall elect from among themselves, a chairman for the Meeting. The Chairman also has the discretion to call for additional meetings at any time. The quorum for each meeting shall be two (2) members. All recommendations and findings of the Remuneration Committee shall be submitted to the Board of Directors for approval. In the absence of a meeting, any issues shall be resolved through circular resolution.

The Managing Director and/or other appropriate officers may be invited to attend where their presence is considered appropriate as determined by the Remuneration Committee Chairman.

Directors who are shareholders should abstain from voting at general meetings to approve their fees. Similarly, Executive Directors should not be involved in deciding their own remuneration.

*This Terms of Reference was reviewed and approved by the Board on 28 November 2018.*