

Notion VTec Berhad
Registration No. 200301035125 (637546-D)

Remuneration Committee
Terms of Reference

The terms of reference are as follows:

Composition

The Remuneration Committee shall be appointed from amongst the Board and shall:-

- (i) comprise no fewer than three (3) members;
- (ii) comprise only non-executive directors, a majority of them must be Independent Directors; and
- (iii) The Chairman of the Committee shall not be the Chairman of the Board.

Duties

1. To recommend to and advise the Board of Directors the remuneration and terms and conditions (and where appropriate, severance payments) of the Executive Directors (including Managing Director).
2. To establish a formal and transparent procedure for developing policy on remuneration packages of individual directors, taking into consideration the following:
 - In case of executive directors, the component parts of remuneration should be structured so as to link rewards to corporate and individual performance.
 - In the case of non-executive directors, the level of remuneration should reflect the experience and level of responsibility undertaken by the non-executive concerned.
3. Where possible, and to allow it to meet its duties, the Remuneration Committee should seek comparative information on remuneration and conditions of service in comparable organisations, within and without sectors of industry.
4. To review any major changes in remuneration policy and employee benefit structures throughout the Company or Group, and if thought fit, recommend them to the Board for adoption;
5. When considering severance payments, the Remuneration Committee should bear in mind that it must represent the public interest and avoid any inappropriate use of public funds. Care should be taken to avoid determining a severance package that public opinion might deem to be excessive.
6. To set the remuneration policy for all Directors and senior management. In determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, demands, complexities and performance of the Company as well as skills and experience required. The objective of remuneration policy is to attract, retain and motivate executive management are fairly rewarded for their individual contribution to the Group's overall performance and that the remuneration commensurate with the level of executive responsibility, having regard to the views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company.

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7. To assist the Board in developing and administrating a fair and transparent procedure for setting policy on remuneration of Directors and senior management.

Directors, whether executive or non-executive, should abstain from discussion and from participating in decisions of their own remuneration packages.

To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

Meetings

1. The Remuneration Committee shall meet at least once a year or as and when required, and report to the Board of Directors after each meeting.
2. The quorum for a meeting shall be two (2) members.
3. A resolution in writing, signed by all the members of the Remuneration Committee, shall be as effectual as if it has been passed at a meeting of the Remuneration Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more committee members and may be transmitted to the Company by any technology purporting to include a signature and/or electronic or digital signature of the committee members including but not limited to signing with a platform such as DocuSign.
4. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present who would qualify under these terms of reference to be appointed to that position of the Board.
5. The Committee members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
6. As a best practice, the Chairman of the Committee should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

Revision of the Terms of Reference

Any revision or amendment to this Terms of Reference, as proposed by the Remuneration Committee or any third party, shall first be presented to the Board for its approval.

Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

This Terms of Reference shall be made available on the Company's website.

This Terms of Reference for the Remuneration Committee was approved and adopted by the Board on 29 November 2021.