

ANALABS RESOURCES BERHAD (468971-A)

REMUNERATION COMMITTEE - TERMS OF REFERENCE

Objective

The primary objective of the Remuneration Committee (“RC”) is to provide a formal and assistance to the Board in determining, reviewing and developing a remuneration policy and reward system for the Board, Senior Management and other strategic position such as internal auditor, legal officer and risk officer. The remuneration package links rewards to corporate and individual performance. A remuneration policy is presently in place to ensure the levels of remuneration are sufficiently attractive to retain Directors and Senior Management.

Composition

1. The members of the RC shall be appointed by the Board comprising at least three (3) directors and exclusively Non-Executive directors, a majority of whom must be independent.
2. The Chairman of the RC shall be an Independent Non-Executive Director appointed by the Board amongst the members of the RC.

Chairman and Membership

1. The members of the RC shall elect a Chairman from amongst their number to be Chairman of the RC.
2. The Board shall ensure that any vacancy in the RC is filled within three months of such vacancy arising.
3. The appointment of a committee member automatically terminates when the member ceases to be a director.

Rights

The Board must ensure that whatever necessary and reasonable for the performance of its functions, the RC has the following rights:

- (i) to the resources which are required to perform its duties;
- (ii) full and unrestricted access to any information pertaining to the directors and employees of the Company and the Group;
- (iii) direct communication channels with key management staff such as personnel, accounts, secretarial or independent consultants engaged by the Company; and
- (iv) to obtain independent professional or other advice at the expense of the Company.

The Board has however full power to decide on the suitability of the nominees and approve their appointments.

Functions

1. To review and recommend to the Board the remuneration package for Executive and Non-Executive Directors and assists the Board in ensuring that the remuneration of the Executive and Non-Executive Directors commensurate with the responsibilities and duties undertaken by the Board members.
2. To review and recommend to the Board the increment for the Group's senior management and the salary increment/adjustment of the internal auditor, legal officer and risk officer.
3. The Board as a whole determines the remuneration of each Director. Directors do not participate in decision regarding their own remuneration package.
4. Directors who are shareholders shall abstain from voting at general meetings to approve their fees.
5. To review the Remuneration Policy on a periodic basis to assess its effectiveness and relevancy, in line with current market practices and requirements. Any amendments or changes to the Remuneration Policy shall be recommended to the Board of Directors for approval.
6. The recommendation of remuneration packages for Directors and Senior Management would:-
 - based on an objective consideration and approved by the majority of the Board;
 - take due consideration of the assessments of the Nomination Committee of the effectiveness and contribution of the Directors and Senior Management; and
 - be competitive and is consistent with the Company's culture, objective and strategy of the Group.
7. To recommend the engagement of external professional advisors to assist and/or advise the Nomination Committee on nomination matters, where necessary.
8. To oversee the qualitative and quantitative disclosures of remuneration made in the annual report and notice to general meetings.
9. To provide clarification to shareholders during general meeting on matters pertaining to remuneration of directors and senior management as well as the overall remuneration framework of the Company.

Secretary

The Company Secretary is the Secretary to the RC.

Meetings

1. The RC shall meet at least once a year and may invite other Board members, officers of the Company, employees and any other external parties to attend meetings or part thereof as and when necessary. The RC through its Chairman shall report to the Board at the next Board of Directors' Meeting after each meeting.
2. In order to form a quorum, the quorum for meeting shall be at least two (2) members. Questions arising at any meeting of the RC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of RC shall have a second or casting vote (except where 2 members form the quorum). The 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 person participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

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. Any such resolution may consist of several documents in like form signed by one or more Committee members. Any such document may be accepted as sufficiently signed by a Committee member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a Committee member.

This Terms of Reference was revised and adopted by the Board on 28 June 2018.