

PELIKAN INTERNATIONAL CORPORATION BERHAD

[Registration No. 198001009827 (63611-U)]

(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

(Revised w.e.f. 25 March 2022)

1. THE STRATEGY / OBJECTIVES

The Group operates in a competitive environment and it is essential that part of its strategy is to attract, motivate and retain the highest achievers who are able to deliver the business objectives. The level of remuneration and benefits the company offers is the key to supporting the objectives and maintaining our market position as an employer of choice.

The Remuneration Committee assists the Board of Directors in setting out competitive salaries and benefits for all its employees, consistent with its business strategy and performance.

2. COMPOSITION

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

The Remuneration Committee recommends to the Board the reward framework to allow the Company to attract and retained its Executive Director giving due regard to the financial and commercial health of the Company. The Committee's approach reflects the Company's overall philosophy that all employees should be appropriately rewarded.

3. CHAIRMAN

The Chairman of the Remuneration Committee shall be elected from amongst the members themselves.

4. SECRETARY

The Company Secretary of the Remuneration Committee shall be the Company Secretary of the Company.

5. MEETINGS AND CIRCULAR RESOLUTIONS

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 may call for additional meetings at any time at the Chairman's discretion.

The Secretary shall on the requisition of the members of the Remuneration Committee summon a meeting of the Remuneration Committee and except in the case of an emergency, reasonable notice of every Remuneration Committee meeting shall be given in writing.

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

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A resolution in writing signed by a majority of the Remuneration Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more Remuneration Committee members.

For the purpose of contemporaneous linking together by an instantaneous telecommunication device of a number of the member of the Remuneration Committee no less than the quorum required, whether or not any one or more of the member of the Remuneration Committee is out of Malaysia, is deemed to constitute a meeting of the Remuneration Committee. The Remuneration Committee will apply to such meeting held by instantaneous telecommunication device so long as the following conditions are met:-

- a) all the member of the Remuneration Committee shall have received notice of a meeting by instantaneous telecommunication device for the purpose of such meeting. Notice of any such meeting will be given on the instantaneous telecommunication device or in any other manner permitted;
- b) each of the member of the Remuneration Committee taking part in the meeting by the instantaneous telecommunication device must be able to hear each other at the commencement and for the duration of the meeting; and
- c) at the commencement of the meeting, each of the member of the Remuneration Committee must acknowledge his/her presence for the purpose of the meeting to all of the other member of the Remuneration Committee taking parts.

6. MINUTES

The Secretary shall also be responsible for keeping the minutes of meeting of the Remuneration Committee at the registered office and distribute to each member of the Remuneration Committee and also to the other members of the Board. The Remuneration Committee Chairman shall report on each meeting to the Board.

The minutes of the Remuneration Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

7. REPORTING

The Remuneration Committee shall report to the Board, either formally in writing or verbally, as it considers appropriate, on the matters within its terms of reference at least twice a year, but more frequently if it so wishes.

8. REMUNERATION POLICY

The Company aims to align the interests of its Executive Director as closely as possible with the interests of shareholders in promoting the Group's strategies. Total remuneration comprises fixed salary, Directors' fee, performance related bonus, and benefit-in-kind. Salary and benefits are competitive and are reviewed annually. In making recommendations on the framework for retaining and rewarding senior management, the Remuneration Committee reviews the total

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reward package, making use of internally and externally published information. The salaries of the Executive Director is set by the Remuneration Committee annually after consideration of the Company's performance, market conditions, the level of increase awarded to employees throughout the business and the need to reward individual performance.

9. QUORUM

The quorum for a meeting shall be a minimum of 2 members.

10. DUTIES AND RESPONSIBILITIES

- a) To recommend to the Board, the remuneration and compensation of the Executive Directors in all its form, drawing external advice where necessary;
- b) To establish a formal procedure for developing policy on Executive Directors' remuneration and compensation package;
- c) To ensure the levels of remuneration be sufficiently attractive and be able to retain Directors needed to run the Company successfully;
- d) To structure the component parts of remuneration so as to link rewards to corporate and individual performance and to assess the needs of the Company for talent at Board level;
- e) To act in line with the directions of the Board of Directors;
- f) To consider and examine such other matters as the Remuneration Committee consider appropriate; and
- g) To consider any other matters as defined by the Board.