



# LONDON BISCUITS BERHAD (Co No : 72057-H)

*(Incorporated in Malaysia)*

## REMUNERATION COMMITTEE TERMS OF REFERENCE

### A. COMPOSITION

1. The Remuneration Committee ("RC") is a committee of the Board of Directors.
2. The RC must be comprised of not fewer than three (3) Members composed exclusively or majority of Non-Executive Directors.
3. The RC must ensure that no Alternate Director is being appointed as a Member of the Committee.

### B. RETIREMENT AND RESIGNATION

1. All the Members shall retire, at least once in every three (3) years. 1/3 of the Members, being the longest in office, shall retire immediately after the Annual General Meeting of the Company.
2. When the Member ceases to be a Director of the Company, he shall also cease to be a Member of the RC.
3. In the event, if there is a vacancy in the RC, such vacancy must be filled within three (3) months.

### C. CHAIRMAN

1. The Members shall elect a person amongst themselves as the Chairman of the Committee. The Chairman of the Committee shall be approved by the Board of Directors.
2. In the absence of the Chairman, one (1) of the other RC Members shall be elected as the Chairman for the Meeting.

### D. SECRETARY

1. The Secretary of the Board of Directors shall be the Secretary of the RC.



**REMUNERATION COMMITTEE**  
– **TERMS OF REFERENCE**

**E. ATTENDANCE OF OTHER DIRECTORS AND EMPLOYEES**

1. The RC shall invite other Directors and Employees of the Company to attend the RC Meetings, as and when necessary.

**F. QUORUM**

1. The quorum shall consist of two (2) members.

**G. PROCEDURE**

*1. Calling of Meetings*

- 1.1 The RC may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once in a financial year or more frequently as deemed necessary. Additional Meetings may be called at any time by the Chairman upon the request of any Committee Members or at the Chairman's discretion.

*2. Notices to be given of Meetings*

- 2.1 The Notice of the Meeting shall be given to the Members at least seven (7) days by the Secretary of the RC before the Meeting, either by electronic or manual. Shorter notice may be given if agreed by a majority of the Members.

*3. Proceedings of Meetings and Votings*

- 3.1 The Chairman shall determine the proceedings of the Meetings and its voting process as he or she deems fit.

*4. Keeping of minutes*

- 4.1 The minutes of the Meeting shall be kept in accordance with the rules and regulations of the Malaysian Companies Act.

*5. Custody, production and inspection of minutes of Meetings*

- 5.1 The Chairman shall determine the process of the custody, production and inspection of the minutes of the RC Meetings.



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– **TERMS OF REFERENCE**

## **H. FUNCTIONS AND DUTIES**

1. The functions and duties of the RC, shall include :-
  - 1.1 establishing a formal and transparent remuneration policies as follows :-
    - i) the remuneration package should be aligned with the business strategy and long-term objectives of the Company;
    - ii) remuneration of the Directors should reflect the Director's responsibilities, expertise and complexity of the Company's activities;
    - iii) recommending to the Board, the remuneration packages and benefits to be extended to Executive Directors (criteria shall be based on experience, performance, qualifications and responsibilities and usage of external resources as the benchmarks); and
    - iv) recommending to the Board of Directors, the remuneration packages and benefits to be extended to the Non-Executive Directors.
2. The remuneration policies and procedures should be disclosed in the annual report of the Company.

## **I. REVIEW OF THE RC**

1. The term of office and performance of Members must be reviewed annually by the Nominating Committee to determine whether its Members have carried out their duties in accordance with its Terms of Reference. In the event, if it relates to the RC Members himself, the RC Member shall be abstained from deliberation.

## **J. TERMS OF REFERENCE**

1. The RC must ensure that the RC's Terms of Reference be made available on the Company's website.

*(Last reviewed on 26 August 2016)*