

**TMC LIFE SCIENCES BERHAD**  
**(Company No. 624409-A)**  
(Incorporated in Malaysia)

**REMUNERATION COMMITTEE (RC) - TERMS OF REFERENCE**

**OBJECTIVE**

To set the policy framework and make recommendations to the Board on all elements of the remuneration package and performance arrangements for Executive Director, Non-Executive Directors, Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and Senior Management.

**COMPOSITION**

1. The Committee shall be appointed by the Board of Directors and shall consist of not less than 2 members of which comprise mainly Non-Executive Directors.
2. In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

**Chairman**

1. The Chairman of the RC should be the Independent Non-Executive Director.
2. In the absence of the RC Chairman, the remaining members present shall elect one of their numbers present to chair the meeting, who should be an independent director.

**SECRETARY**

The Company Secretary or other appropriate senior official shall be the Secretary to the RC.

**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. The Remuneration Committee may establish procedures from time to time to govern its meetings, keeping of minutes and its administration. The quorum for a meeting shall be two (2) members. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present. The Remuneration Committee Chairman shall have a second or casting voting. However, where only 2 members (including Chairman) are competent to vote on question at issue, the Chairman shall not have a casting vote.
2. Only the Remuneration Committee Chairman and the Members shall be entitled to participate in the Remuneration Committee Meeting. At the invitation of the Remuneration Committee, other Directors, CFO, Human Resources Manager and any other relevant advisers may also attend Committee meetings, unless there is a conflict of interest.
3. The Remuneration Committee has the right to pass circular resolutions in writing by a simple majority vote from the Remuneration Committee.

## **RIGHTS**

1. The Remuneration Committee shall:
  - (a) have the resources which are required to perform its duties;
  - (b) have full and unrestricted access to all information and documents within the Group to perform its duties;
  - (c) have the right to obtain independent professional or other advice at the Company's expense;
  - (d) have the right to invite any employees of the Group to attend Remuneration Committee meetings and to brief the Committee Members on matters being deliberated;
  - (e) meet as and when required on a reasonable notice and have the right to regulate its own procedure on the calling of meeting;
  - (f) have the right to pass resolutions by a simple majority vote from the Committee Members; and
  - (g) have the right to provide recommendations to the Board for consideration and approval.

## **DUTIES AND RESPONSIBILITIES**

1. To recommend and advise the Board the remuneration and terms of conditions (and where appropriate, severance payments) of the Executive Directors, CEO and Chief Financial Officer (CFO), ensuring that remuneration is set at a competitive level for similar roles within comparable markets to recruit, attract, retain and motivate high calibre, individuals and so structured as to align their interest with those of the Company and shareholders;
2. To establish a formal and transparent procedure for developing framework or policy on remuneration packages of individual directors, taking into consideration the following:-
  - In case of Executive Directors, CEO and CFO, 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 Director concerned with due consideration of market rate.
3. To monitor structures and levels of remuneration for other senior executives and make recommendations, if appropriate, to ensure consistency with the Company's remuneration objectives.
4. To approve any major changes to employee compensation and benefits arrangements applicable to the Executive Director(s) and senior management.
5. To approve incentive plans for the Executive Directors and senior management, and any amendments to such plan; and
6. To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.
7. To establish and review the benefits in all its form for the Executive Directors, Non-Executive Directors, senior management positions under the employment within the Group;

8. To review and approve annual salary increments and bonuses for the Executive Directors, senior management positions under the employment of the Group and overall staffs increment and bonuses of the Group; and
9. To obtain external advice, where necessary, on Benefits for the Executive Directors, Non-Executive Directors and key management positions under the employment of the Group.

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

### **REVIEW OF THE TERMS OF REFERENCE**

The RC shall recommend any change to its terms of reference in such manner as the RC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code of Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirement. It shall also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the RC's role.

Revised: 18.12.2018