

**PACIFIC & ORIENT BERHAD**  
(Company No. 308366-H)

**TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

---

**1. OBJECTIVE**

- 1.1 The Committee has adopted the objective as recommended by the Malaysian Code on Corporate Governance to determine the remuneration for Directors and Senior Management so as to ensure that the Company attracts and retains the Directors and Senior Management needed to run the Group successfully. The component parts of the remuneration are structured so as to link rewards to corporate and individual performance, in the case of executive Directors. In the case of non-executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular non-executive Directors concerned.

**2. MEMBERSHIP**

- 2.1 The Committee shall be appointed by the Board of Directors of the Company (“the Board”) from amongst the Directors of the Company and shall consist of not less than 3 members.
- 2.2 The Committee shall consist of exclusively Non-Executive Directors, majority of whom are Independent Directors.
- 2.3 The members of the Committee shall elect a Chairman from amongst their number.
- 2.4 If a member of the Committee resigns, dies or for any reason ceases to be a members with the result that the number of members is reduced to below 3, the Board shall, within three months appoint such number of new members as may be required to make up the minimum of 3 members.
- 2.5 The terms of office and performance of the Committee and each of its members shall be reviewed by the Board no less than once every three years. However, the appointment terminates when a member ceases to be a Director.

**3. MEETINGS**

- 3.1 The quorum for a Committee meeting shall be at least two thirds of the members, the majority present must be Independent Non-Executive Directors.
- 3.2 The full Committee shall meet at least once a year and such additional meetings as the Chairman shall decide.

**PACIFIC & ORIENT BERHAD**  
(Company No. 308366-H)

**TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

---

- 3.3 Notwithstanding paragraph 3.2 above, upon the request of any member of the Committee or non-member Directors, the Chairman shall convene a meeting of the Committee to consider the matters brought to its attention within its terms of reference.
- 3.4 The Company Secretary shall act as Secretary of the Committee.
- 3.5 The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.
- 3.6 All resolutions of the Committee shall be adopted by a simple majority, each member having one vote. In case of equality of votes, the Chairman of the meeting shall have a second or casting vote.
- 3.7 A resolution in writing, signed by ALL the members of the 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.

**4. FUNCTIONS**

- 4.1 To determine and recommend to the Board the Framework or broad policy on terms of employment and all elements of the remuneration of Executive Directors and Senior Management of the Company. The Executive Directors and Senior Management should play no part in decisions involving their own remuneration.
- 4.2 To determine and recommend to the Board the remuneration packages of Executive Directors and Senior Management of the Company. Executive Directors shall abstain from deliberation of their own remuneration.
- 4.3 To review and recommend to the Board the remuneration of the Non-Executive Directors. It is for the Board, as a whole, to decide on the Non-Executive Directors' remuneration with each Non-Executive Director abstaining from the discussion of his/her own remuneration within the limits set by the shareholders.
- 4.4 To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration forming a significant proportion of the total remuneration package of Executive Directors and Senior Management.

**PACIFIC & ORIENT BERHAD**  
(Company No. 308366-H)

**TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

---

**5. AUTHORITY**

- 5.1 The Committee, in accordance with the procedures of processes to be determined by the Board, shall have access to resources and information as deemed appropriate in order to discharge its responsibilities to the Company, including obtaining independent professional advice at the expense of the Company and periodic review of its terms of reference against its performance.