

CABNET HOLDINGS BERHAD
(Incorporated in Malaysia – Co.No.1121987-D)

REMUNERATION COMMITTEE

TERM OF REFERENCE

1. COMPOSITION

- 1.1 The Committee shall consist of not less than three (3) members and it shall consist wholly or majority of Non-Executive Directors of the Company.
- 1.2 Where the membership of the Committee falls below three (3) due to retirement, resignation or any other reason, the vacancy must be filled up within three (3) months to make up the minimum of three (3) members.
- 1.3 Alternate Director shall not be eligible for appointment as a member of the Committee.
- 1.4 The terms of office of each member shall be for a period of three years and may continue office thereafter or may be subject to retirement by rotation as determined by the Board.
- 1.5 The effectiveness of the Committee shall be assessed by the Board, through the Nomination Committee on an annual basis.

2. DUTIES AND RESPONSIBILITIES

- 2.1 The Committee shall review and recommend to the Board the remuneration package of the executive directors and if applicable, senior management which should be aligned with the business strategy and long term objectives of the Company. Any member of the Committee who is an executive director must not participate in the deliberation and in any decision on his/her own remuneration.
- 2.2 The remuneration of non-executive directors will be a matter to be decided by the Board as a whole with the director concerned abstaining from discussion and voting on decisions on his/her own remuneration.
- 2.3 To review annually the performance of the Directors and recommend to the Board the specific adjustments in remuneration and/or reward payments to be passed at a general meeting.
- 2.4 To formulate policies, guidelines and set criteria for remuneration packages for the Directors and to ensure that the Directors are fairly and appropriately remunerated according to the general market sentiments or conditions.
- 2.5 To review and recommend to the Board the compensation payable to the Directors in connection with any loss or termination of their office or appointment or arrangements relating to dismissal or removal for misconduct and to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company.

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- 2.6 To ensure that all remuneration packages and benefits given to the Directors are in compliance with the laws, rules, requirements, regulations and guidelines set by the relevant authorities and our Board from time to time.

3. MEETINGS AND PROCEDURES

3.1 Frequency of Meetings

The Committee shall meet as and when the need arises subject to at least one (1) meeting per year.

3.2 Chairman and Quorum

The quorum shall be two members both of whom shall be non-executive directors. The Chairman of the Committee must be a non-executive director. In the absence of the Chairman, the members present shall elect one of their members who shall be a non-executive director to be the Chairman of the meeting.

3.3 Decision

Questions arising at any meeting shall be decided upon by a majority vote. In the event of equality of votes, the Chairman of the meeting shall have a second or casting vote (except where two directors were present for the meeting).

3.4 Secretary of the Committee

The Company Secretary shall be the Secretary of the Committee.

3.5 Meeting Agenda and Notice of Meeting

- (1) Committee meeting agendas shall be the responsibility of the Committee Chairman with input from Committee members. The Chairman may also ask Management to participate in this process.
- (2) The agenda for each meeting shall be circulated at least seven days before each meeting to the Committee members and all those who are required to attend the meeting. Written materials including information requested by the Committee from Management or external consultants shall be received as early as practicable.

3.6 Attendance by Invitation

The Committee may invite any other Director or employee of the Company to attend any of its meetings to assist the Committee in its deliberations.

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3.7 External Expertise / Advice

The Committee shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board and at the cost of the Group. The Committee is authorised by the Board to obtain external legal or other professional advice, as well as information about remuneration practices elsewhere. The Committee may, if it thinks fit, secure the attendance of external advisers with relevant experience and expertise, and shall have the discretion to decide who else other than its own members, shall attend its meetings. No director or executive shall take part in decisions on his/her own remuneration.

3.8 Participation in Meetings via Telecommunication Device

- (1) A committee member shall be deemed to be present at a meeting of the Committee if he participates by instantaneous telecommunication device and all members of the Committee participating in the meeting of the Committee are able to hear each other and recognize each other's voice, and for this purpose, participation constitutes prima facie proof of recognition. For the purposes of recording attendance, the Chairman or Secretary of the Committee shall mark on the attendance sheet that the committee member was present and participating by instantaneous telecommunication device.
- (2) A Committee member may not leave the meeting by disconnecting his instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the meeting and a committee member will be conclusively presumed to have been present and to have formed part of the quorum at all times during the committee meeting by instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the Committee meeting to leave the meeting.
- (3) Minutes of the proceedings at a Committee meeting by instantaneous telecommunication device will be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as correct minutes by the Chairman of the Committee meeting.

3.9 Resolution in Writing

A resolution in writing signed and approved by a majority of the Committee and who are sufficient to form a quorum shall be as valid and effective as if it had been passed at a Meeting of the Committee duly called and constituted.

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3.10 Minutes of Meeting

The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the Committee meeting shall be made available to all Board members.

3.11 Reporting to the Board

The Committee, through its Chairman, shall report to the Board at the next Board of Directors' meeting after each Committee meeting.

4. Information for Disclosure in the Annual Report

The Committee shall provide such information to the Board as necessary to assist the Board in making a disclosure in the Annual Report in accordance with the ACE Market Listing Requirements.

5. Letter of Appointment

Any member appointed to the Committee shall be given a letter of appointment signed by the Chairman of the Board or the Company Secretary on behalf of the Board of Directors.

This Term of Reference was approved and adopted by the Board on 12 April 2016 and revised on 18 May 2017.