

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

REMUNERATION COMMITTEE

TERMS 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 if applicable, Senior Management and to ensure that they 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 and if applicable, the Senior Management 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 and Senior Management 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 (2) members both of whom shall be non-executive directors. The Chairman of the Committee shall be an independent 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 Notice and Agenda of Meeting

Meeting may be scheduled by the Committee or the Chairman. Meeting agenda shall be the responsibility of the Chairman with input from the Committee members. The Chairman may ask the Management to participate in this process. At least seven (7) days' notice of a meeting of the Committee shall be given to committee members in writing at his last known address or other address included by way of electronic means given by him for the purpose. The committee members may meet on shorter notice and waive notice of any meetings as they deem necessary subject to the consent and agreement of all committee members. Written materials including information requested by the Committee from the Management or external consultants shall be received together with the agenda for the meeting.

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.

3.10 Minutes of Meeting

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 shall be circulated to all members of the Committee and of the Board.

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The books containing the minutes of the proceedings of the Committee shall kept by the Company at the Registered Office of the Company subject to the provisions of the Companies Act 2016, relating to keeping the minutes of the Board of Directors and any committee of the Board of Directors.

*This Terms of Reference was approved and adopted by the Board on 12 April 2016.*

*This Terms of Reference was last reviewed and revised on 25 February 2019.*