

Notion VTec Berhad
(Company No. 637546-D)

Remuneration Committee
Terms of Reference

Members

1. Dato' Abu Bakar Bin Mohd Nor (*Chairman*) (*Independent Non-Executive Director*)
2. Mr Saw Tat Loon (*Independent Non-Executive Director*)
3. Ms Anita Chew Cheng Im (*Independent Non-Executive Director*)

The terms of reference are as follows:

Composition

The Remuneration Committee shall be appointed from amongst the Board and shall:-

- (i) comprise no fewer than three (3) members; and
- (ii) comprise only non-executive directors, a majority of them must be Independent Directors.

Duties

1. To recommend to and advise the Board of Directors the remuneration and terms of conditions (and where appropriate, severance payments) of the Executive Directors (including Managing Director).
2. To establish a formal and transparent procedure for developing policy on remuneration packages of individual directors, taking into consideration the following:
 - In case of executive directors, 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 concerned.
3. Where possible, and to allow it to meet its duties, the Remuneration Committee should seek comparative information on remuneration and conditions of service in comparable organizations, within and without sectors of industry.
4. When considering severance payments, the Remuneration Committee should bear in mind that it must represent the public interest and avoid any inappropriate use of public funds. Care should be taken to avoid determining a severance package that public opinion might deem to be excessive.
5. To set the remuneration policy for all Directors and key senior management. In determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements. The objective of remuneration policy is to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is necessary, having regard to the views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company;

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6. To assist the Board in developing and administrating a fair and transparent procedure for setting policy on remuneration of Directors and key senior management.

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

To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

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.
2. The quorum for a meeting shall be two (2) members.
3. As a best practice, the Chairman of the Committee should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

Revision of the Terms of Reference

Any revision or amendment to this Terms of Reference, as proposed by the Remuneration Committee or any third party, shall first be presented to the Board for its approval.

Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

This Terms of Reference shall be made available on the Company's website.

This Terms of Reference for the Remuneration Committee was approved and adopted by the Board on 23 August 2018