



**SIGNATURE INTERNATIONAL BERHAD**  
**REGISTRATION NO. 200601034359 (754118-K)**  
**TERMS OF REFERENCE FOR REMUNERATION COMMITTEE**

**1. Composition**

The Remuneration Committee (“RC”) shall be appointed by the Board from among the Directors of the Company and shall comprise exclusively of Non-Executive Directors and a majority of them must be Independent Directors.

The RC shall consist of at least three (3) members.

In the event of any vacancy in the RC resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy from the date of occurrence of that event.

**2. Quorum**

The quorum for a meeting of the RC shall be at least two (2) members, a majority of whom shall be Independent Directors.

**3. Chairman**

The Chairman of the RC shall be an Independent Non-Executive Director appointed by the Board. The Chairman of the Board shall not be a member of the RC.

In the absence of the Chairman of the RC during the meeting, the remaining members present shall elect one of their members who shall be an Independent Non-Executive Director as Chairman of the meeting.

**4. Secretary**

The Company Secretary or his/her representative or other appropriate senior officer shall act as Secretary of the RC and shall be responsible, amongst others, drawing up meeting agendas in consultation with the RC Chairman, in attendance of each RC meeting and responsible for keeping the minutes of meetings of the RC, and circulating them to the RC and others members of the Board.

**5. Meetings and Minutes**

- a) The RC shall meet at least annually or as and when there are matters referred to them for consideration or a member may at any time and the Secretary shall on the requisition of a member, summon a meeting of the RC. The Secretary, in conjunction with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers within a reasonable period prior to each meeting to the members of the RC.

- b) The RC Members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- c) If issues shall be resolved through circular resolution, a circular resolution in writing, stating the reason(s) to arrive at a recommendation or resolution, signed by ALL members for the time being entitled to receive notice of and to attend a RC meeting shall be as valid and effective as if it had been passed at a meeting duly convened and constituted. Any such document, may be accepted as sufficiently signed by a RC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message purporting to include a signature of a RC member.
- d) Minutes of each meeting shall be circulated to RC members and presented to the Board. The minutes shall be kept at the registered office of the Company under the custody of the Secretary of the Company and shall be open for inspection by the Board. Any request by Management or other persons to inspect the minutes shall be subject to the approval of the RC.
- e) Issues discussed and actions recommended by the RC shall be presented and reported to the Board for decision.
- f) The Managing Director (“MD”), Executive Directors and other management personnel, external professional advisers or whoever deemed necessary may be present in any meeting upon the invitation of the RC.

## **6. Functions**

The RC shall discharge the following duties and responsibilities and report the same to the Board:

- a) to establish a formal and transparent procedure for developing policy on the remuneration of the MD, Executive Directors and Senior Management.

In determining such policy, the RC shall 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 necessary, having regard to the views of shareholders and other stakeholders. The remuneration policy should at all times be in alignment with the Company’s long term strategic goals.

- b) to recommend to the Board the remuneration packages including performance related pay schemes for the MD, Executive Director and Senior Management.
- c) to recommend to the Board the remuneration packages of Non-Executive Directors, including Non-Executive Chairman.
- d) to recommend to the Board the remuneration packages/allowances of members of the Board’s committees.

- e) to ensure that the remuneration packages are determined on the basis of the Directors' and Senior Management's merit, qualification and competence, having regard to the Company's operating results, individual performance and comparable market statistics.

The detailed remuneration of each Director should be disclosed in the Annual Report on a named basis.

- f) to review the MD, Executive Directors and Senior Management's service and employment contracts, if any.
- g) to review and report such other matters as may be delegated by the Board from time to time.
- h) to review the fees of the Directors and any benefits payable to the Directors including any compensation for loss of employment of director or former director.

Pursuant to Section 230 of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors including any compensation for loss of employment of director or former director of the Company shall be approved at a general meeting.

When carrying out these functions, the RC shall ensure that the remuneration of the MD, Executive Directors and Senior Management are aligned with the business strategy and long-term objectives of the Group while the remuneration of other Board members reflects the Board's responsibilities, expertise and complexity of the Group's activities. All Directors should play no part in decisions on their own remuneration and shall abstain from discussion on their own remuneration.

## **7. Annual General Meeting**

The Chairman of the Committee should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

## **8. Reporting Responsibilities**

The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Committee shall make whatever recommendation to the Board it deems appropriate or any area within its remit where action or improvement is needed.

## **9. Access to Advice**

The RC is authorised, subject to the approval of the Board, to seek independent professional advice, at the expense of the Company, in carrying out its duties, if required.

**10. Revision of the Terms of Reference**

- This Terms of Reference will be reviewed as and when required and updated in accordance with the needs of the Company and any new regulations..
- Any revision or amendment to this Terms of Reference, as proposed by the RC 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.

**11. Approval**

This Terms of Reference is reviewed and approved by the Board of Directors on 28 May 2018 and updated on 23 August 2022.