



## **DAIBOCHI BERHAD**

**(FORMERLY KNOWN AS DAIBOCHI PLASTIC AND PACKAGING INDUSTRY BHD)**

(Company No.: 12994-W)

(Incorporated in Malaysia under the Companies Act)

### **REMUNERATION COMMITTEE – TERMS OF REFERENCE**

#### **1. Composition/Members**

The Remuneration Committee (RC) shall comprise exclusively of Non-Executive Directors, a majority of whom must be independent.

#### **2. Secretary**

The Company Secretary or her nominee shall act as the secretary of the RC.

#### **3. Frequency of Meetings**

3.1 The RC shall meet at least once a year and as and when required.

3.2 The RC may take action by way of circular resolutions in lieu of convening a formal meeting.

#### **4. Duties and Responsibilities**

4.1 The RC should not have delegated powers to implement its recommendations. It should be obliged to report its recommendations back to the full Board for its consideration and implementation.

4.2 Review and recommend the general remuneration policy of the Group, including matters relating to the remuneration of the Board and Senior Management.

4.3 Review annually the compensation of Directors.  
Recommend to the Board the remuneration of Executive Directors and Non-Executive Directors, including Senior Management, in all its forms, drawing from outside advice as and when necessary.

Remuneration package of Non-Executive Directors and the Non-Executive Chairman should be a matter for the Board as a whole. The individuals concerned should abstain from discussion of their own remuneration.

- 4.4 Plan for succession to the position of Chairman of the Board and Managing Director as well as certain other senior management positions in the Group. The Managing Director annually provides the RC with an assessment of senior managers and their potential.
- 4.5 Review the performance of the Managing Director and Executive Directors within the Group.
- 4.6 Recommend suitable short and long-term incentive plans including the setting of appropriate performance targets as well as programmes for management development.
- 4.7 The remuneration package shall be aligned with the business strategy and long term objectives and reflect the Board's responsibilities, expertise and complexity of the Group's business activities.
- 4.8 Submit to the Board an annual report of its activities.
- 4.9 Carry out such other assignments as may be delegated by the Board.

5. **Review of Terms of Reference**

The RC shall review its terms of reference, as and when deemed necessary. This is to ensure the RC's relevance in assisting the Board to discharge its duties in accordance with the changes in corporate laws, requirements and regulations that may arise and to remain consistent with the its duties and responsibilities.

*Reviewed and approved by the Board on December 8, 2017*