SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD
Registration No. 195801000191 (3327-U)
(Incorporated In Malaysia)

REMUNERATION COMMITTEE
TERMS OF REFERENCE

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1. OBJECTIVES

The Remuneration Committee ("RC") is established as a committee of the Board with the primary functions, in line with the Malaysian Code of Corporate Governance ("MCCG") to implement remuneration policies and procedures including reviewing and recommending matters relating to the remuneration of Directors and key Senior Management of the Company.

2. SIZE AND COMPOSITION

The RC shall consist of at least three (3) members exclusively Non-Executive Directors, a majority of whom must be Independent Non-Executive Directors.

RC members may relinquish their membership in the committee with prior written notice to the Company Secretary and may continue to serve as Director of the Company.

Where the membership of the RC falls below three (3) due to retirement, resignation or any other reason, the vacancy must be filled within three (3) months from the event.

3. QUORUM

The quorum for a meeting shall be two (2) members.

4. CHAIRPERSON

Members of the RC shall elect a Chairperson among its members who shall be a Non-Executive Director.

In the absence of the Chairperson, the members present shall elect one (1) of their members who shall be a Non-Executive Director to be the Chairperson of the meeting.

5. DUTIES AND RESPONSIBILITIES

a) To assist the Board in ensuring the remuneration framework of Directors and key Senior Management reflect the responsibility, level of expertise, performance and/or commitment as required of the position.

b) To review and recommend the fees of the Non-Executive Directors and any benefits payable to the Non-Executive Directors including any compensation for loss of employment of a Director or former Director of the Company to the Board for the shareholders' approval at the Annual General Meeting ("AGM"). Directors who are shareholders and controlling shareholders with a nominee or connected director on the Board should abstain from voting at general meetings to approve their fees.

c) To recommend to the Board the remuneration framework of Executive Directors and key Senior Management. Any Executive Director who participates in the RC meeting via invitation must not participate in the deliberation and in any decision on his/her own remuneration

d) To consider and review the disclosure requirement on remuneration of Directors, Managing Director in the Annual Report and Corporate Governance Report.

e) To review and recommend to the board performance-related pay schemes (i.e. bonus, etc.) for Executive Directors and Key Senior Management.

f) To review and recommend the benefits and entitlements of Executive Directors and Key Senior Management.

g) The Chairperson of the RC, or in his /her absence, another member of the RC shall attend the AGM of the Company and respond to questions relating to the RC's duties and responsibilities.

h) The RC is authorised by the Board to seek appropriate professional advice as and when it is considered necessary at the expense of the Company.

i) To consider all other related matters as may be requested by the Board from time to time.

6. FREQUENCY OF MEETINGS

The RC shall meet as and when the need arises subject to at least two (2) meetings per year. A member may at any time, and the Secretary shall on the requisition of a member, summon a meeting of the RC.

7. SECRETARY

The Company Secretary shall be the Secretary of the RC.

The Secretary is responsible for sending out notices of the meetings and preparing and keeping minutes of meetings. The minutes of the RC meetings shall be properly produced and kept in the registered office of the Company.

8. NOTICE AND MEETING AGENDA

Meetings may be scheduled by the RC or the Chairperson. The meeting agenda shall be the responsibility of the Chairperson with input from the RC members. The Chairperson may ask the Management to participate in this process.

The notice and agenda of meeting shall be circulated within reasonable time before each meeting to the RC members and all those who are required to attend the meeting. Written materials including information requested by the RC from the Management or external consultants shall be received together with the agenda of the meeting.

9. ATTENDANCE BY INVITATION

The RC may invite any other directors or employees within the Company to attend any of its meetings to assist the RC in its deliberations.

The RC is also authorised to obtain external professional advice and if required, to invite outsiders with relevant experience and expertise to attend the meeting to assist the RC in its deliberations.

10. DECISION

The decision that gained the majority votes shall be the decision of the RC. Each member is entitled to one (1) vote. In the event of equality of votes, the Chairperson of the RC shall have a second or casting vote (except where only two (2) directors were present for the meeting). No director or executive shall take part in decisions on his/her own remuneration.

11. RESOLUTION IN WRITING

The RC may deal with matters by way of circular resolutions in lieu of convening a formal meeting, if necessary. A resolution in writing signed and approved by majority of the RC and who are sufficient to form a quorum shall be as valid and effective as if it has been passed at a meeting of the RC duly called and constituted.

Any such resolution may consist of several documents like form, each signed by one or more members. The expressions “in writing” or “signed” include approvals by legible confirmed transmissions by facsimile or other forms of electronic communications.

12. MINUTES OF MEETING

The Minutes shall be signed by the Chairperson of the Meeting at which the proceedings were held or by the Chairperson 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 RC.

13. MEETING VIA TELECOMMUNICATION DEVICE

(1) A member shall be deemed to be present at a meeting of the RC if he participates by instantaneous telecommunication device and all members of the RC are able to hear each other and to be heard, and for this purpose, participation constitutes prima facie proof of recognition. For the purposes of recording attendance, the Chairperson or Secretary of the RC shall mark on the attendance sheet that the member was present and participating by instantaneous telecommunication device.

(2) A member may not leave the meeting by disconnecting his instantaneous telecommunication device unless he has previously obtained the express consent of the Chairperson of the meeting to leave the meeting. A member will be conclusively presumed to have been present and to have formed part of the quorum at all times during the RC meeting by instantaneous telecommunication device unless he has previously obtained the express consent of the Chairperson of the meeting to leave the meeting.

(3) If a member is accidentally disconnected from the instantaneous telecommunication device and causes the absence of the required quorum of the meeting, no decisions should be in respect of matters by members during the disconnection and if the instantaneous telecommunication device cannot be re-connected at all, the meeting shall then be adjourned.

(4) Minutes of the proceedings at an RC 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 Chairperson of the meeting.

14. REPORTING TO THE BOARD

(1) The RC, through its Chairperson, shall report to the Board at the next Board of Directors' Meeting after each RC meeting;

(2) The minutes of each Committee meeting shall be tabled to the Board for notation; and

(3) The Committee may from time to time submit to the Board its recommendation on matters within its purview, for Board's decision.

15. INFORMATION FOR DISCLOSURE IN THE ANNUAL REPORT

The RC shall provide detailed disclosure of remuneration including fees, salary, bonus, benefits in-kind and other emoluments on named basis of individual Directors to the Board that is required for a disclosure in the Annual Report in accordance with the Principles of the MCCG and Bursa Listing Requirements.

16. REVIEW OF THE TERMS OF REFERENCE

The RC Terms of Reference, as proposed by the RC, shall first be presented to the Board for approval. Upon the Board's approval, the said revision or amendment shall form part of the Terms of Reference and the RC Terms of Reference shall be considered duly revised or amended. The RC Terms of Reference shall be reviewed as and when necessary. A copy of the RC Terms of Reference is uploaded onto the Company's website.

The Nominating Committee shall review the terms of office and performance of the RC and each of its members annually to determine whether the RC members have carried out their duties in accordance with these Terms of Reference.

This revised RC Terms of Reference was approved by the Board on 26 August 2026.