



L&P Global Berhad

Registration No. 202101028085 (1428385-M)
(Incorporated in Malaysia)

TERMS OF REFERENCE

REMUNERATION COMMITTEE

Terms of Reference | Remuneration Committee

Revision History

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1. Objectives

1.1 The Remuneration Committee (“**RC**” or the “**Committee**”) of L&P Global Berhad (“**L&P**” or “**the Company**”) and its subsidiaries (“**the Group**”) is formed by the Board of Directors (“**Board**”) of the Company to assist the Board in the following areas:

- (a) Annually assess the performance of the executive director(s) (“**EDs**”), chief executive officer (“**CEO**”) and chief financial officer (“**CFO**”) (where CEO and CFO are not Board members) against the key performance indicators (“**KPI**”) set for them.
- (b) Ensure that the Group has in place a remuneration policy and framework consistent with the Group’s business strategy, and a competitive remuneration structure so as to link rewards with corporate and individual performance to attract and retain the right talent of the appropriate calibre, skills, experience and quality needed in the Board (which includes the ED) and the Key Senior Management (“**KSM**”) in order to drive and achieve the Group’s long-term objectives.

For the purposes of this TOR, KSM refers to a person, who in the opinion of L&P, is one who generally holds highest level of management responsibility and decision-making authority within the Group and must include a person who is primarily responsible for the business operations of the Company’s core business and principal subsidiaries. Essentially, KSM is a member of the C-Suite or persons as identified as KSM.

- (c) Propose to the Board, remuneration of ED, KSM and non-executive directors (“**NED**”).

2. Membership

- 2.1 The Committee shall be appointed by the Board from amongst the Directors of the Company and shall be composed exclusively of Independent Non-Executive Directors of no fewer than three (3) members. In this respect, the criteria for independence of the “independent directors” shall be as defined under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”).
- 2.2 The Chairman of the Committee shall be an Independent NED (“**INED**”) of the Company.
- 2.3 Alternate Director or Chairman of the Board shall not be appointed as a member of the Committee.
- 2.4 In the event of any vacancy in the RC, the Board shall, within three (3) months of the event, fill the vacancy.

3. Authority

- 3.1 The Committee is authorised by the Board, in accordance with the procedures to be determined by the Board (if any) and at the cost of the Company, to:
- (a) investigate any activity within the Committee's terms of reference;
 - (b) have resources which are reasonably required to enable it to perform its duties;
 - (c) have full and unrestricted access to any information pertaining to the Company or the Group;
 - (d) obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;
 - (e) make decisions on matters which fall within the purpose and responsibilities of the RC;
 - (f) seek information and have unrestricted access to information pertaining to the Group and the Management, to fulfil its primary purpose and responsibilities; and
 - (g) appoint an independent party to conduct or to assist in conducting any investigation, upon the terms of appointment to be approved by the Board.
- 3.2 The Chairman of the RC shall engage on a continuous basis with senior management, such as the Chairman of the Board, CEO and the CFO in order to be kept informed of matters affecting the Group.

4. Duties & Functions

- 4.1 The Committee will undertake the following responsibilities and functions, among others, in fulfilment of the Malaysian Code on Corporate Governance as issued by the Securities Commission Malaysia ("**MCCG**") and report on the same to the Board:

Remuneration

- (1) Review, and recommend to the Board for approval the remuneration policies and procedures for the Directors, Board Committees (if any) and KSM. Independent professional advice may be obtained in determining the remuneration framework. For the purposes of this TOR, Board Committees is a collective term for the Audit and Risk Management Committee, the Nomination Committee and the RC.
- (2) Establish and agree goals and objectives and KPIs for the EDs and KSM and review their performance in comparison thereof.

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- (3) Recommend to the Board, proposal on remuneration and benefits for Eds and KSM including share option and compensation payment in the event of termination of the employment/service contracts (if any) by the Company and/or the Group. The recommendations should be made based on their respective performance relative to the KPIs set taking the following into consideration:
 - (a) fair reward for their individual contributions to overall performance of the Group;
 - (b) compensation is reasonable and aligned with business strategy and long-term objectives of the Group; and
 - (c) compensation is similar to other companies of similar size in the same industry.
- (4) review and recommend to the Board the Directors' Fees and benefits (if any) payable to the NEDs (in relation to their level of contribution) for recommendation to the shareholders of the Company for approval.
- (5) Consider the appropriate level of remuneration of NEDs taking into consideration that remuneration of NEDs should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the said Directors. NEDs should not be over-compensated to the extent that their independence may be compromised.
- (6) Assist the Board in discharging their responsibilities to, amongst others, compensation strategy, management development and other compensation arrangements.

Others

- (7) Recommend to the Board the employment of the services of such advisers as it deems necessary to fulfil the Board's responsibilities.
- (8) Undertake any other responsibilities, functions or assignments as may be defined by the Board from time to time.

5. Meeting procedures

- 5.1 The Company Secretary shall be the Secretary of the Committee and shall record attendance of all members and invitees and take minutes to record the proceedings of every meeting of the Committee.
- 5.2 The Secretary shall organise and provide assistance at RC meetings and have the following responsibilities:
 - (a) ensure meetings are arranged and held accordingly.
 - (b) assist the Chairman of the Committee in planning the RC's activities.

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- (c) draw up meeting agendas in consultation with the Chairman of the Committee and maintain the minutes and draft its scheduled activities for the financial year.
 - (d) ensure structured communication channels between the Board and the RC.
 - (e) ensure proceedings of meetings are recorded and the minutes circulated in a timely manner and reviewed by the RC before disseminating them to the Board.
 - (f) Ensure RC recommendations presented to the Board are supported by papers (from the management if so applicable) that explain the rationale for the RC's recommendations.
- 5.3 The Committee shall record its conclusion on issues discussed during meetings and report to the Board at the quarterly Board meetings. The minutes shall be circulated to members of the Board and duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee.
- 5.4 The quorum for a meeting of the RC shall consist of not less than two (2) members, majority of members present must be NEDs.
- 5.5 The Chief Financial Officer shall normally attend meetings.
- 5.6 Other Board members, counsels, consultants and employees may attend any particular meeting only at the RC's invitation, specific to the relevant meeting, as and when necessary.
- 5.7 The CEO (if he is also a Board member) may be invited to attend meetings to discuss the performance of executive Board members (and also that for the CFO, as applicable) and other KSM and make proposals as necessary. No executive director shall play a part in decisions on their own remuneration.
- 5.8 The Committee will conduct all its meetings separately from Board meetings.
- 5.9 The Chairman shall call for meetings, to be held not less than once a year or more frequently as the need arise or if so requested by member of the Committee or by the Chairman of the Committee.
- 5.10 A member may at any time and the Secretary shall on the requisition of a member summon a meeting of the Committee by giving the members not less than seven (7) days' notice thereof unless such requirement is waived.
- 5.11 Unless the meeting is called on a short notice basis, the Secretary, in collaboration with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least seven (7) days prior to each meeting to the members of the Committee.

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- 5.12 The RC meeting agenda shall be the responsibility of the Chairman of the Committee with input from the RC members. Where necessary, the agenda shall include input from Management or other persons deemed appropriate to participate.
- 5.13 In the absence of the Chairman, the Committee shall appoint one of its members present to chair that meeting and who shall be an INED.
- 5.14 In appropriate circumstances, the RC may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing signed by a majority of members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the RC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members and forwarded or otherwise delivered to and shall be recorded by the Company Secretary.
- 5.15 A resolution put to vote shall be decided by a majority of votes of the members present, each member having one vote. If the votes are equal, the Chairman of the meeting has a second casting vote. However, the Chairman will not have a second casting vote where only 2 Directors form the quorum or at which only 2 Directors are competent to vote on the question at issue.
- 5.16 A RC member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.
- 5.17 A member of RC may participate in a meeting of the RC by means of a conference telephone, electronic or any communication facilities which allows all persons participating in the meeting to hear each other. A participant shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly notwithstanding the fact that he is not physically present at the venue where the meeting is to be held. The meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 5.18 The Chairman of the Committee should attend the Annual General Meeting to answer any shareholders' questions on the Committee's activities.

6. Disclosure

- 6.1 The Committee shall prepare an annual report to the Board that provides a summary of the activities of the Committee for inclusion in the Company's annual report.

7. Reporting

- 7.1 The Chairman of the Committee shall, at the conclusion of each meeting, report to the Board on activities that it had undertaken and key recommendations for the Board's consideration and approval as well as follow-up status on any key recommendations from previous internal audits.
- 7.2 Where the Committee is of the view that a matter reported to the Board has not been satisfactorily resolved resulting in a breach of MMLR, the Committee shall promptly report such matter to Bursa Securities.

8. Review of the Committee

- 8.1 The RC shall perform a self-assessment annually to assess its effectiveness in carrying out the duties as set out in these terms of reference.
- 8.2 All assessments shall be properly documented.

9. Approval & Revision to the Terms of Reference

- 9.1 The terms of reference shall be reviewed by the Committee as and when required. All amendments to the terms of reference must be approved by the Board.
- 9.2 Upon the Board's approval, the said revision or amendment shall form part of this terms of reference and these terms of reference shall be considered duly revised or amended.
- 9.3 The terms of reference of the RC must be made available on the Company's website.
- 9.4 The provisions under these terms of reference have been drafted in a manner to also incorporate the provisions under the MMLR and other statutes, regulations and guidelines applicable to the RC. In the event the applicable provisions of the MMLR and/or relevant governing statutes, regulations and guidelines relating to RC are from time to time amended, modified or varied, such amendments, modifications and variations shall be deemed inserted herein whereupon this Terms of Reference shall be read and construed subject to and in accordance with the amended, modified or varied MMLR, statutes, regulations and guidelines.
- 9.5 This TOR is approved by the Board of L&P Global Berhad and adopted on 27 February 2024.