

1 Doc International Berhad

Registration No. 202301046813 (1540727-V)

Terms of Reference of the Remuneration Committee

Date Adopted by Board : [to be determined]
Effective Date : [to be determined]

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1. OBJECTIVES

- 1.1 The primary function of the Remuneration Committee (“the **Committee**”) established by the Board of Directors (“**Board**”) is to assist the Board in reviewing and implementing remuneration policies and procedures for Directors and Senior Management of the Company and its group (“**Group**”) (“**Remuneration Policy**”). The Committee is to assist the Board in its responsibilities:
- (a) to implement its policies and transparent procedures on remuneration, including reviewing and recommending remuneration, fees, and benefits for the Board and Senior Management;
 - (b) to ensure that all Directors and Senior Management are fairly rewarded for their individual contribution to the Company’s overall performance, and that the remuneration is commensurate with the level of executive responsibility and appropriate in light of the Group’s performance;
 - (c) to ensure that the compensation is competitive and consistent with the Company’s culture, objectives and strategy; and
 - (d) to ensure that the level and composition of remuneration of Directors and Senior Management can attract and retain the right talent for the Board and Senior Management to drive the Group’s long-term objectives.
- 1.2 For the purpose of this terms of reference, Senior Management includes the Chief Executive Officer, Chief Financial Officer and any other C-suite officers.

2. COMPOSITION OF THE COMMITTEE

- 2.1 Members of the Committee shall be appointed by the Board amongst its Directors and shall comprise at least three (3) members, all of whom must be Non-Executive Directors, and a majority of whom must be Independent Non-Executive Directors. In this respect, the Board adopts the definition of “Independent Directors” under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 2.2 The Chairman of the Board must not be a member of the Committee.
- 2.3 No Alternate Director shall be appointed as a member of the Committee.
- 2.4 The term of office, the effectiveness and performance of the Committee and each of its members shall be reviewed by the Nomination Committee (“**NC**”) annually to determine whether the Committee and its members have carried out their duties in accordance with this Terms of Reference.
- 2.5 Where the members of the Committee for any reason are reduced to less than three (3), the Board shall, based on the recommendation of the NC, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

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3. CHAIRMAN

- 3.1 The Chairman of the Committee shall be an Independent Non-Executive Director.
- 3.2 If the Chairman of the Committee is not present within fifteen (15) minutes of the time appointed for holding the Committee's meeting or is unable/unwilling to chair the meeting, the members of the Committee present shall elect one (1) of them, of whom is an Independent Non-Executive Director, to be the Chairman of the meeting.

4. SECRETARY

- 4.1 The Company Secretary or his nominee or such other persons authorised by the Board shall be the Secretary of the Committee.
- 4.2 The Company Secretary, in consultation with the Chairman of the Committee, shall draw up the agenda, notice and other supporting explanatory documentation in relation to the meeting. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, at least five (5) business days before the date of the meeting, except in the case of an emergency, where reasonable notice of every Committee meeting shall be given in writing or to obtain a waiver of notice period from members of the Committee. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time or such other period as the members may agree.
- 4.3 The notice of every meeting shall be given in writing and served to the Committee members either personally or by fax, e-mail, post or courier to his/her address in the Register of Directors or to the address provided by the Committee members, as the case may be.

5. QUORUM AND MEETING PROCEDURES

- 5.1 The Committee shall meet at least once a year or as and when the Committee deems necessary to fulfil its responsibilities.
- 5.2 The quorum for the meeting shall be two (2) members whereby majority of the members present must be Independent Non-Executive Directors. No business shall be transacted unless a quorum is present either in person or by telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.
- 5.3 If any member is unable to be physically present, he/she may choose to participate by means of a conference telephone or any other audio, or audio-visual, communication equipment which allows all persons participating in the meeting to hear and speak with each other and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.

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- 5.4 A Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables all Committee members as a whole to participate for the entire duration of the virtual meeting, provided the following conditions are met:-
- (a) all the Committee members for the time being entitled to receive notice of the Committee meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted by the Constitution of the Company; and
 - (b) a Committee member may not leave a virtual meeting by disconnecting from the technology used unless he/she has previously expressly notified the Chairman of the meeting of his/her intention to leave the meeting and a Committee member shall be conclusively presumed to have been present and have always formed part of the quorum during such a meeting until such notified time of his/her leaving the meeting.
- 5.5 The main venue of the meeting shall be the place where the Chairman of the meeting is present.
- 5.6 A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes, with each member of the Committee having one (1) vote. In the event of an equality of votes, the Chairman has the casting vote. The Chairman shall not have a casting vote when only (2) members (one of whom is the Chairman) form a quorum or when only two members are competent to vote on the question at issue.
- 5.7 A determination by a simple majority of the members of the Committee shall for all purposes be deemed a determination of the members of the Committee.
- 5.8 Any member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, must declare his/her interest in the matters and abstain from deliberating and voting on the said matter.
- 5.9 The Committee may, as and when deemed necessary, invite any Board members or any member of management or any employee of the Company, who the Committee thinks fit, to attend the meetings to assist and provide pertinent information as necessary.

6. KEEPING AND INSPECTION OF MINUTES

- 6.1 The Secretary holds the responsibility of maintaining records, preparing, and distributing the minutes of the Committee meetings, and ensuring that the minutes are properly kept and produced for inspection as needed. The Committee shall report to the Board and the minutes of each meeting shall be tabled to the Board for notation.
- 6.2 Minutes of each meeting, including virtual meetings shall be signed by the Chairman of the meeting at which proceedings were held or by the Chairman of the next succeeding meeting.
- 6.3 The books containing the minutes of meetings shall be kept by the Company at the Registered Office or a place determined by the Board pursuant to the Companies Act 2016 and shall be open for inspection by any Committee member or Board member.

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6.4 The minutes of each Committee meeting shall be distributed to the Board members for notation.

7. WRITTEN RESOLUTION

7.1 A resolution in writing signed by a majority of the Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.

7.2 The resolution may consist of several documents in like form, each signed by one (1) or more Committee members. Such document may be accepted as sufficiently signed by a Committee member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said Committee member.

8. REPORTING

8.1 The Committee, through its Chairman, shall report all matters that should be brought to the Board's attention and provide recommendations by the Committee that require the Board's approval at the next Board meeting after each Committee meeting. When presenting any recommendations to the Board for approval, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

8.2 The Committee shall provide and review the relevant information to assist the Board in making the required disclosures in the Annual Report (including a statement about the activities of the Committee in the discharge of its duties for the financial year) and Corporate Governance Report.

9. POWER AND AUTHORITY

9.1 The Committee shall in accordance with a procedure to be determined by the Board and at the expense of the Company:-

- (a) have the resources which are required to perform its duties;
- (b) have full and unrestricted access to all information and documents which are required to perform its duties;
- (c) seek input from management on Remuneration Policy, but no individual should be directly involved in the deliberation, recommendation, decision and voting of his own Directors' fee or other benefits;
- (d) be able to obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary;
- (e) to call for any appropriate person or person to be in attendance to make presentations or furnish or provide independent advice on any matters within the scope of responsibilities; and

- (f) have access to advice and services of the Company Secretary.

10. DUTIES AND RESPONSIBILITIES

10.1 The duties and responsibilities of the Committee, amongst others, are as follows:-

- (a) Assist the Board to develop, implement and administer the Group's strategy, policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors and Senior Management and recommend to the Board for approval. The Remuneration Policy should be aligned with the business strategy and long-term objectives of the Company, aiming to provide a competitive and balanced remuneration package that attracts and retains high-caliber individuals. This include determining the fee structure and level of remuneration for Directors and Senior Management. The Board determines which individuals make up Senior Management and whether other employees should be covered by the policy.
- (b) Review, develop and administer a fair, formal and transparent Remuneration Policy to ensure that remuneration packages are determined after taking into consideration the following :-
- (i) merit, qualification and professionalism;
 - (ii) technical competency, skills, expertise and experience;
 - (iii) roles and responsibilities;
 - (iv) alignment with the business and risks strategies, and long-term objectives of the Group;
 - (v) complexity of Group's business and performance;
 - (vi) comparable market statistics; and
 - (vii) fairness of the remuneration package to attract, retain and motivate quality talent and ensure the compensations offered are in line with market practice.

This includes their annual salary increment, performance bonus and short or long-term incentives (including share grant and bonuses) as well as other benefits in kind. The Remuneration Policy shall be periodically reviewed for relevance and made available on the Company's website.

- (c) Review and recommend to the Board the remuneration packages of the Directors and Senior Management, which shall include their annual salary increment, performance bonus and short- or long-term incentives (including share grant and bonuses) as well as other benefits in kind, ensuring the compensations offered are in line with market practice. When recommending the fee and other benefits for the Independent Directors, the Committee must ensure they do not conflict with the Independent Directors' obligation to bring objectivity and independent judgment to matters discussed at Board meetings.

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- (d) Review the formulation of Key Performance Indicators (“KPIs”) of the Executive Directors, Chief Executive and Senior Management, and to assess on a periodic basis, their performance against the approved KPIs.
- (e) Recommend to the Board on the appointment of experts or consultants to assist the Committee on all remuneration matters, where necessary to fulfil its responsibilities.
- (f) Review major changes in employee remuneration and benefit structures throughout the Group.
- (g) Establish frequent communication with other board committees, specifically Nominating Committee, to align Remuneration Policy with succession plans and talent management of executives, and Risk Management and Sustainability Committee to ensure that the risk outcomes are adequately considered in the design of the Remuneration Policy.
- (h) Provide a report summarising its activities for the year in compliance with the applicable code on corporate governance, Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any other applicable laws or relevant regulations.
- (i) Recommend to the Board to table separate resolutions on the approval of the fees of each Non-Executive Directors of the Company and provide clarification to shareholders during general meetings on matters pertaining to remuneration of Directors and Senior Management as well as the overall remuneration framework of the Company.
- (j) Carry out other responsibilities, functions or assignments as may be prescribed by the Board from time to time within the scope of the Committee.

11. REVIEW OF THE WRITTEN TERMS OF REFERENCE

11.1 These written terms of reference shall be reviewed and assessed by the Committee, and updated periodically in accordance with the needs of the Company or when changes to the business environment or regulatory requirements necessitates a revision Any amendments or supplement to these terms of reference must be approved by the Board.

11.2 These written terms of reference of the Committee dealing with its authority and duties shall be made available on the Company’s website.

12. APPROVAL

The Terms of Reference was reviewed and approved by the Board of Directors on [to be determined].