




UWC BERHAD

(Company No. 1274239-A)
(Incorporated in Malaysia)

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

 UWC BERHAD (Company No. 1274239-A)	Department: Board	Policy no: UWC-POL-FIN-028
		Implemented Date : 24th November 2018
Title: REMUNERATION COMMITTEE		

1. OBJECTIVE

The principal objective of the Remuneration Committee (the “Committee”) is to assist and advise the board of Directors (the “Board”) on matters relating to the remuneration of the Board and senior management, in order to attract, motivate and retain executives to maximize shareholder value.


2. Composition

- (a) The Remuneration Committee of UWC Berhad (“the Company”) shall be appointed from amongst the Board and shall:
 - (i) comprise no fewer than three (3) members; and
 - (ii) comprise exclusively non-executive directors, a majority of whom are independent.
- (b) No alternate Director of the Board shall be appointed as a member of the Remuneration Committee.
- (c) In the event of any vacancy resulting in non-compliance with the terms of reference hereof, the vacancy must be filled within three (3) months.
- (d) The term of office and performance of the Remuneration Committee and each of its members must be reviewed by the Nomination Committee annually in order to determine whether the Remuneration Committee and members have carried out their duties in accordance with their terms of reference.

3. Functions and Duties

- (a) To assist the Board to establish a formal and transparent framework for developing the policy on remuneration packages of the Directors and senior management, taking into consideration the following:
 - (i) in the case of Executive Directors, the component parts of remuneration should be structured so as to link rewards to corporate and individual performance, market competitiveness as well as the Company’s overall performance; and


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(ii) in the case of Non-Executive Directors, the level of remuneration should be aligned with market terms and shall reflect the experience, individual performance, level of responsibility undertaken by the Non-Executive Director concerned, market competitiveness as well as the Company's overall performance;

and to review the policy from time to time, so as to ensure the Company attracts and retains high-calibre Directors.

- (b) To review and recommend to the Board on the remuneration of the Executive Directors and senior management, including but not limited to bonuses, incentives and benefits-in-kind (and where appropriate, severance payments) based on the Directors' and senior management's merit, qualification and competence, having regard to the Company's operating results and individual performance.
- (c) In the discharge of its duties, the Remuneration Committee may draw from outside advice as necessary by seeking comparative information on remuneration practices and trends and conditions of service in comparable organisations and industry.
- (d) When considering severance payments, the Remuneration Committee should bear in mind that it must represent the public interest and avoid any inappropriate use of public funds. Care should be taken to avoid determining a severance package that public opinion might deem to be excessive.
- (e) Directors should abstain from discussing and participating in decision of their own remuneration package. Directors who are shareholders should abstain from voting at general meeting to approve their fees.
- (f) To consider other matters referred to it by the Board.
- (g) To review and assess the adequacy and relevance of its Terms of Reference annually and recommend any changes it considers necessary to the Board.


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4. Rights

- (a) The Remuneration Committee in carrying out its tasks in accordance with these Terms of Reference shall have the right to seek any information it requires from the Company's Management, employees and/or relevant external parties.
- (b) The Remuneration Committee may obtain independent professional or other external advice at the expense of the Company with prior consent of the Board.

5. Meetings

- (a) The Remuneration Committee shall meet at least once in each financial year and report to the Board after each meeting, its recommendations, findings or decisions.
- (b) The quorum for a meeting shall be two (2) members.
- (c) A circular resolution in writing signed by the members of the Remuneration Committee who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the Remuneration Committee and shall include signed copies via legible facsimile transmission or other written electronic means.
- (d) The Company Secretary or any other person approved by the Remuneration Committee shall act as the Secretary of the Remuneration Committee and shall attend all meetings and minute the proceedings thereof.
- (e) Any member of the Remuneration Committee may participate in any meeting of the Remuneration Committee via telephone conferencing, video conferencing or by means of any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

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6. Review of the Terms of Reference

The Terms of Reference of the Remuneration Committee should be reviewed annually and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Remuneration Committee's duties and responsibilities.