

PEGASUS HEIGHTS BERHAD
[Registration No. 197401002677 (19727-P)]

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. OBJECTIVE

To assist the Board of Directors in their responsibilities in assessing the remuneration packages of the Directors and senior management.

2. MEMBERSHIP

- a. The Committee shall be appointed by the Board from amongst themselves and shall consist of not less than three (3) members, comprising only Non-Executive Directors, a majority of whom should be independent. A quorum shall be two (2) members.
- b. The Chairman of the Committee shall be elected amongst the committee members and shall be an independent non-executive director.
- c. In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within three (3) months.

3. SECRETARY

The Company Secretary or their nominee shall act as the Secretary of the Committee.

4. NOTICE OF MEETINGS

- a. The Secretary shall on the requisition of the members of the Remuneration Committee (“RC”) summon a meeting of the RC except in the case of an emergency, reasonable notice of every RC meeting shall be given in writing. The Chairman may call for additional meetings at any time at the Chairman’s discretion.
- b. 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, any other person required to attend and all other non-executive directors, in reasonable time before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

5. MINUTES OF MEETINGS

- a. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

PEGASUS HEIGHTS BERHAD

[Registration No. 197401002677 (19727-P)]

- Terms of Reference for the Remuneration Committee

- b. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all other members of the Board, unless a conflict of interest exists.

6. FREQUENCY OF MEETINGS

The Committee shall meet not less at least once a year.

7. CIRCULAR RESOLUTION

A resolution in writing, signed by a majority of the RC members present in Malaysia for the time being entitled to receive notice of a meeting of the RC, shall be as valid and effectual as if it had been passed at a meeting of the RC duly convened and held. Any such resolution may be accepted as sufficiently signed by a RC member if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the RC and may consist of several documents in like form, each signed by one or more of the members of the RC.

8. AUTHORITY

The Committee shall have full access to such information and advice, both from within the Group and externally, as it deems necessary. The Committee should consult the Chairman of the Company about its remuneration proposals for other executive directors.

9. DUTIES AND RESPONSIBILITIES

- a. The Committee shall make recommendations to the Board on the Company's policy and structure for all directors' and senior management's remuneration and on the establishment of a transparent procedure for developing remuneration policy.
- b. The Committee shall review and approve the senior management's remuneration proposals with reference to the Board's corporate goals and objectives.
- c. The Committee shall exercise the powers of the Board to determine the remuneration packages of individual executive directors and senior management, (including salaries, bonuses, benefits in kind and the terms on which they participate in any share or other incentive scheme and any provident fund or other retirement benefit scheme) taking into consideration salaries paid by comparable companies, time commitment and responsibilities.
- d. The Committee shall review and approve:

PEGASUS HEIGHTS BERHAD

[Registration No. 197401002677 (19727-P)]

- Terms of Reference for the Remuneration Committee

- i. compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; and
 - ii. compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.
- e. The Committee shall review and make recommendations to the Board on the remuneration of non-executive directors and thereafter to be approved at a general meeting.
 - f. The Committee should ensure that no director or any of his associates is involved in deciding his own remuneration.
 - g. The Committee shall report to the Board its activities as the Board may require from time to time.
 - h. The Committee shall exercise such other powers, authorities and discretions, and perform such other duties, of the Board in relation to the remuneration of the executive directors and senior management as the Board may from time to time delegate to it.

10. PARTICIPATION IN MEETING BY TELE-CONFERENCING

A Director may participate in a Committee meeting by means of a conference telephone or any communication equipment or device that will allow all persons participating at the meeting to hear and speak with each other and shall be deemed as present at such meeting.

11. REVISION AND UPDATES

This Terms of Reference (“**TOR**”) should be reviewed annually by the RC.

Any revision or amendment to this TOR, as proposed by the Committee or any third party, shall first be presented to the Board for its approval. Upon the Board’s approval, the said revision or amendment shall form part of this TOR and this TOR shall be considered duly revised or amended.

The TOR should be disclosed on the Company’s website.

END