

OLYMPIA INDUSTRIES BERHAD

(Company No. 63026-U)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. OBJECTIVES

The main objectives of the Remuneration Committee ("RC") are:

- (i) to establish policy and procedures to determine the remuneration of the Directors and senior management of the Company which takes into account the demands, complexities and performance of the Company as well as skills and experience required.
- (ii) to review where necessary, the remuneration packages for the Directors and senior management and if appropriate, to recommend to the Board of Directors ("Board") for endorsement and approval.

2. COMPOSITION

- (i) The Board shall appoint the members of the RC, which shall consist entirely of Non-Executive Directors, a majority of whom must be Independent Directors.
- (ii) The composition of the RC must not be less than three (3) members.
- (iii) Where the members for any reason are reduced to less than three (3), the Board shall within six (6) months of the event, appoint such number of new member(s) as may be required to make up the minimum number of three (3) members.
- (iv) The members shall elect amongst themselves a Chairman for the RC.
- (v) A member of the RC shall hold office as long as he/she serves as a Director of the Company or as determined by the Board.
- (vi) A member of the RC may relinquish his/her membership in the RC and continue to serve as a Director of the Company.
- (vii) The secretary of the Committee shall be the Company Secretary

3. POWERS

- (i) In general, the RC shall not have the delegated powers from the Board to implement its recommendations but should be obliged to report its recommendations to the Board for consideration, approval and implementation thereon.
- (ii) In carrying out its duties and responsibilities, the RC shall have the following powers:
 - (a) unrestricted access to any relevant information required.
 - (b) seeking independent professional advice and expertise necessary for the performance of its duties.

4. AUTHORITY, DUTIES AND RESPONSIBILITIES

The RC shall collectively carry out the following main duties and responsibilities, which are not exhaustive and can be augmented if necessary with the Board's approval:

- (i) Make recommendations to the Board on all elements of the remuneration, terms of employment, reward structure and/or fringe benefits for Executive Directors.
- (ii) Review on a timely basis the individual remuneration packages of Executive Directors and to make the appropriate recommendations to the Board.
- (iii) Ensure the remuneration and entitlements of Non-Executive Directors shall be a matter to be decided by the Board and the level of remuneration should reflect the experience and responsibilities undertaken by a particular Non-Executive Director.
- (iv) Ensure the Director concerned will abstain from deliberations of and voting on the decision in respect of his/her own remuneration package.
- (v) The RC shall ensure a fair remuneration for Directors and senior management on basis of the following principles or guidelines:
 - (a) ensure that respective remuneration packages are well-structured, transparent and clearly linked to the strategic objectives of the Company.
 - (b) ensure that remuneration packages of Directors or senior management are determined based on respective merit, qualification and competence, having regard to the Company and Group's operating results, individual performance and comparable market statistics.
 - (c) ensure the remuneration of Directors or senior management to be determined adequately and fairly.
 - (d) executive Directors or senior management should receive appropriate compensation according to their scale of responsibilities and performance against the agreed targets, if any.
 - (e) performance targets, if any, are established to achieve with an appropriate balance between long and short term goals.
 - (f) attract, motivate and retain Executive Directors or senior management of the necessary caliber.
- (vi) The RC has a policy and guidelines on the remuneration of senior management which is governed by the Company's Staff Policies and Procedures.
- (vii) In discharging its duties, the RC shall at all times be mindful of the provisions in the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad, including any amendments thereto that may be made from time to time and all applicable laws, regulations and guidelines.

5. MEETINGS

- (i) The RC shall meet at least once each year. Additional meeting(s) may be scheduled as and when required. In the absence of the Chairman, the members can elect from amongst themselves a chairman for the meeting.
- (ii) All members are entitled to receive notices of meetings. The notice of meeting shall be given to all members at least 3 days before the meeting.

- (iii) The quorum for the meeting shall be 2 members, one of whom shall be an Independent Director.
- (iv) Appropriate officers of the Company or professional advisors may be invited to attend meeting(s) where the RC considers their presence necessary.
- (v) Each member of the RC is entitled to 1 vote in deciding matters deliberated in the meeting.
- (vi) All recommendations and/or findings of the RC shall be submitted to the Board for direction and/or approval.
- (vii) The RC may deal with matters by way of circular resolutions in lieu of convening a formal meeting.
- (viii) Minutes of meetings and resolutions passed by the RC must be properly kept and shall be tabled to the Board for notation.

6. REVIEW OF THE TERMS OF REFERENCE

The Terms of Reference of the RC shall be reviewed as and when necessary to determine its adequacy in line with the current circumstances, the Company's policies and applicable rules and regulations.

Revised on 26 November 2018