

OLYMPIA INDUSTRIES BERHAD
(63026-U)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1.0 OBJECTIVES OF THE REMUNERATION COMMITTEE (“Committee”)

1.1 The objectives of the Committee are:

1.1.1 To establish a policy within which it will make the necessary recommendations to the Board for the remuneration package of each Executive Director. In this role, the Committee shall seek to ensure fair remuneration to the Executive Directors, which, while set in the context of what the Company can reasonably afford, recognises the following principles:

- (a) That Executive Directors should receive appropriate compensation according to their scale of responsibilities and performance against agreed targets;
- (b) That performance targets are established to achieve consistency with the interests of shareholders of the Company, with an appropriate balance between long and short term goals;
- (c) The need to attract, motivate and retain Executive Directors of the necessary caliber to run the Company successfully; and
- (d) The component parts of remuneration should be structured so as to link rewards to corporate and individual performance.

1.1.2 To make recommendations to the Board on all elements of the remuneration, terms of employment, reward structure and fringe benefits for Executive Directors.

1.1.3 To review on a yearly basis the individual remuneration packages of the Executive Directors, and to make the appropriate recommendations to the Board.

1.2 The remuneration and entitlements of the Non-Executive Directors, including the non-executive chairman, shall be a matter to be decided by the Board as a whole. The level of remuneration should reflect the experience and level of responsibilities undertaken by a particular Non-Executive Director.

1.3 The individual Director concerned should abstain from discussion of their own remuneration.

2.0 COMPOSITION OF THE COMMITTEE

2.1 The Board shall appoint the members, which shall consist entirely or mainly of Non-Executive Directors.

2.2 The composition of the Committee must not be less than three (3) members.

2.3 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 members as may be required to make up the minimum number of three (3) members.

2.4 The members shall elect a Chairman from amongst themselves.

2.5 All members shall hold office only for so long as they serve as Directors of the Company.

2.6 Members of the Committee may relinquish their membership in the Committee with prior written notice to the secretary and may continue to serve as Directors of the Company.

2.7 The secretary of the Committee shall be the Company Secretary.

3.0 POWERS OF THE COMMITTEE

3.1 In general, the Committee shall not have the delegated powers from the Board to implement its recommendations but should be obliged to report its recommendations back to the Board for its consideration and implementation.

3.2 In carrying out its duties and responsibilities, the Committee shall have the following powers:

3.2.1 Full, free and unrestricted access to any information, records, properties and personnel of the Olympia Group;

3.2.2 To obtain independent professional advice and expertise necessary for the performance of its duties; and

3.2.3 All members shall have access to the advice and services of the Company Secretary.

4.0 DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

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

- 4.1 Review the Policy Framework from time to time;
- 4.2 Advise the Board regarding the details and implementation of the Policy Framework;
- 4.3 Make the necessary recommendations as specified under the objectives of the Committee;
- 4.4 Ensure that Executive and Non-Executive Directors abstain from the deliberations and voting on decisions in respect of their remuneration package;
- 4.5 Review and advise the Board regarding the provisions of the Executive Directors service agreements, such as clauses relating to compensation for loss of office and notice period;
- 4.6 Design and implements an evaluation procedure for Executive Directors;
- 4.7 Design an evaluation procedure for Non-Executive Directors;
- 4.8 Ensure that every Committee resolution is put to a vote to ensure that it is the will of the majority that prevails;
- 4.9 In discharging its duties, the Committee shall at all times be mindful of the provisions of the Malaysian Code on Corporate Governance and all applicable laws, regulations and guidelines.

5.0 COMMITTEE MEETINGS

- 5.1 The Committee shall convene meetings as and when required, provided that the Committee shall meet at least once a year.
- 5.2 The Chairman of the Committee, or the secretary of the Committee, on the requisition of the members, shall at any time summon a meeting of the members by giving three (3) days' notice. It shall not be necessary to give notice of a Committee meeting to any member for the time being absent from Malaysia.

- 5.3 No business shall be transacted at any meeting of the Committee unless a quorum is present. Each meeting shall have a minimum quorum of two (2) members of the Committee including the Chairman.
- 5.4 The Committee may deal with matters by way of circular resolutions in lieu of convening a formal meeting.
- 5.5 Appropriate officers of the Company or professional advisors may be invited to attend the meetings where the Committee considers their presence necessary.
- 5.6 All recommendations and findings of the Committee shall be submitted to the Board for approval. Upon such approval, the secretary of the Committee shall distribute to each member a copy of the said approval.