



**HANDAL RESOURCES BERHAD**  
**Company No. 816839-X**

**REMUNERATION COMMITTEE**  
**("the Committee")**  
**TERMS OF REFERENCE**

**1. Composition**

The Committee shall be appointed by the Board of Directors ("Board") (based on the recommendation of the Nomination Committee) from amongst the Directors of the Company and shall only comprise of non-executive Directors, majority of whom are independent (Practice 6.2 of MCCG 2017).

The Committee shall consist of at least three (3) members.

The Committee members shall have good knowledge and understanding enhanced where necessary by appropriate training or access to professional advice on remuneration and understanding of shareholders' concerns.

**2. Quorum**

Two (2) members shall form a quorum for meetings.

**3. Chairman**

The members of the Committee shall elect a Chairman from among their members who shall be an independent Director. In the absence of the Chairman of the Remuneration Committee, the remaining members present shall elect one of their members as Chairman of the meeting.

**4. Secretary**

The Secretary to the Committee shall be the Company Secretary and shall be responsible for drawing up the Notices, meeting agendas with the concurrence of the chairman and circulating it, supported by explanatory documentations to Committee members prior to each meeting.

Unless otherwise agreed by the Committee, notice of each meeting confirming the venue, time and date together with the meeting agendas can be sent/circulated to the Committee members in electronic form prior to each meeting.

The Secretary shall also be responsible for recording the proceedings of the Audit Committee and the minutes of meetings shall be ready for the Committee's approval before tabling at Board meetings.

**5. Meetings and Minutes**

- a) The Remuneration Committee shall meet at least once a year or at such other times as the Chairman of the Committee deemed necessary.
- b) Minutes of each meeting shall be distributed to each member of the Board.
- c) Question arising shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote provided that where two (2) members form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue, shall not have a casting vote.
- d) Executive Directors may be invited to participate in selected meetings of the Committee to provide insights, particularly on considerations relating to the performance of the Company.

**6. Functions/Duties**

- a) To assist the Board in ensuring remuneration policies and procedures are in place to determine the remuneration of Executive Directors and Senior Management, taking into account fee structure, level of remuneration, total individual remuneration package and performance of the Company, drawing from outside advice as necessary, to attract and retain the right talent in the board and senior management to drive the Company's long term strategic aims (Practice 6.1 of MCCG 2017).
- b) To review and recommend to the Board where appropriate, any bonuses or performance related pay schemes for Executive Directors and Senior Management, while having due regard to the business environment in which the Group operates. Salaries payable to Executive Directors must not include a commission on or percentage of turnover (Paragraph 7.23 of Listing Requirements).
- c) To review and recommend to the Board on the remuneration of non-executive directors, particularly on whether the remuneration remains appropriate to each Director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken. Fees payable to non-executive directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover (Paragraph 7.23 of Listing Requirements).
- d) To review Executive Directors' scope of service contracts.
- e) To consider the appointment of the service of such advisers or consultants as it deems necessary to fulfill its functions.

- f) To oversee the qualitative and quantitative disclosures of remuneration made in the annual report and notice to general meetings in accordance to the Act and Listing Requirements.
- g) To 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.

**7. Reporting Procedure**

- a) The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendation of the Committee.
- b) Executive Directors do not participate in discussion on their own remuneration.
- c) The determination of remuneration packages of Non-Executive Directors, including Non-Executive Chairman should be matter for the Board as a whole.
- d) The Committee shall provide such information to the Board to assist the Board in making disclosure in the Annual Report in accordance with the Practice 7.1 and 7.2 of MCCG 2017 and Appendix 9C Part A of the Listing Requirements.