

ASTINO BERHAD
TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. MEMBERSHIP

The Remuneration Committee of the Company shall be appointed by the Company's Board of Directors among their members and shall comprise wholly of non-executive directors.

The members of the Remuneration Committee shall then elect a Chairman from among themselves.

Members of the Remuneration Committee may relinquish their membership in the Committee with prior written notice to the Company Secretary and may continue to serve as Director of the Company. The Nomination Committee will review and recommend, to the Board for approval, another director to fill up such vacancies.

2. SECRETARY

The Company Secretary shall be the secretary of the Committee.

The Company Secretary shall be in attendance at each Remuneration Committee Meeting and record the proceedings of the statutory record of the Company upon adoption by the Committee and a copy each shall be distributed to each member of the Remuneration Committee.

3. OBJECTIVES

The objective of the Remuneration Committee is to set the policy framework and to make recommendations to the Board on all elements of the remuneration, terms of employment, reward structure and fringe benefits for Executive Directors, the Chief Executive and other selected top management positions with the aim to attract, retain and motivate individuals of the highest quality.

Executive Directors shall abstain from the deliberations and voting on decisions in respect of their remuneration package.

The remuneration and entitlements of the Non-Executive Directors including the Non-Executive Chairman shall be a matter to be decided by the Board of Directors as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration.

4. DUTIES & RESPONSIBILITIES

The Committee shall recommend to the Board the remuneration of the Directors of the Company & its subsidiaries (“the Group”) in all its forms, to evaluate different remuneration methods and philosophies as well as conducting studies of current industry practice including the below: -

- (a) Reviewing existing or proposed share option scheme;
- (b) Reviewing superannuating benefits;
- (c) Reviewing retirement and termination systems;
- (d) Considering fringe benefit issues;
- (e) Reviewing indemnity and liability insurance policies

5. POWER

In carrying out its duties and responsibilities, the Remuneration Committee will in principle have full, free and unrestricted access to the Group’s records, properties and personnel. The Committee may obtain the advice of external consultants on the appropriateness of remuneration package and other employment conditions if required.

The Committee will review the compensation of Executive Directors of the Group, the Chief Executive and recommend appropriate adjustments to the Board of Director for their approval.

6. FREQUENCY OF MEETINGS

The Remuneration Committee to meet at least once a year. The Committee will meet as required and report to the Board after each meeting.

The meeting shall be chaired by the Chairman of the Committee and each meeting shall have at least two members. The Chairman also has the discretion to call for additional meetings at any time. All recommendations and findings of the Remuneration Committee are submitted to the Board of Directors for approval.

The Chief Executive Officer and/or other appropriate officers may be invited to attend where their presence is considered appropriate as determined by the Remuneration Committee Chairman.