

I-STONE GROUP BERHAD
(Company No. 1273151-K)

REMUNERATION COMMITTEE

TERMS OF REFERENCE

1. MEMBERSHIP

The members of the Remuneration Committee (the “Committee”) shall comprise wholly Non-Executive Directors, majority of them must be Independent Directors and number at least three (3) in total.

The Chairman of the Committee shall be a Non-Executive Director appointed by the Board.

Only members of the Committee have the right to attend committee meetings. However, other individuals such as the chief executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

2. MEETINGS

The Committee shall meet at least once (1) a year. More meetings may be conducted if the need arises.

The quorum for a meeting of the Committee shall be two (2) members, present in person. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

Attendance at a meeting may be in person or by way of participation via video conference or teleconference or such other means as may be agreed by the members.

A resolution in writing, signed by all the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members. The Company Secretary or his/her representative or other appropriate senior officer shall act as secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, prior to each meeting.

3. ADVISERS

The Committee is authorised by the Board of Directors (“the Board”) to seek appropriate professional advice inside and outside the group at the Company’s expense, as and when it considers this necessary in discharge of this responsibilities.

4. OBJECTIVES

The primary function of the Committee is to assist the Board to recommend to the Board the remuneration package of Executive Directors, Non-Executive Directors and Senior Management of the Group to attract, retain and motivate Directors and Senior Management to drive long term objectives.

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5. ANNUAL GENERAL MEETING

The Chairman of the Committee should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

6. DUTIES

The duties of the Committee shall include the following:-

- (a) to recommend to our Board the appropriate remuneration packages for the Managing Director, Executive Directors, Non-Executive Directors and key management personnel in all forms;
- (b) assist our Board in developing and administering a fair and transparent procedure for setting policy on remuneration of directors and key management personnel;
- (c) review the remuneration package for the Non-Executive Directors and the committees to be aligned with their responsibilities and contribution;
- (d) review at least once a year the performance of the Managing Director and Executive Directors and recommend to our Board specific adjustments in remuneration and/or reward payments, if any, reflecting their contributions for the year;
- (e) ensure that the remuneration packages are determined on the basis of the directors' and key management personnel's merit, qualification and competence, having regard to the Company's operating results, individual performance and comparable market statistics;
- (f) ensure that the level of remuneration are aligned with the business strategy and long-term objectives of the Company and reflects the experience and level of responsibilities undertaken by the Directors and key management personnel;
- (g) review the fees of the Directors and benefits payable to directors including any compensation for loss of employment of director or former director and recommend to our Board and thereafter to be approved at a general meeting; and
- (h) recommend the engagement of external professional advisors to assist and/or advise the Committee on remuneration matters, where necessary.

7. REPORTING RESPONSIBILITIES

The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters with its duties and responsibilities.

The Committee shall make whatever recommendation to the Board it deems appropriate or any area within its remit where action or improvement is needed.

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8. MINUTES

The minutes of meetings of the Committee shall be circulated to all members of the Board. The minutes shall be kept at the registered office of the Company under the custody of the Secretary of the Company and shall be open for inspection by the Board. Any request by Management or other persons to inspect the minutes shall be subject to the approval of the Committee.

9. REVISION OF THE TERMS OF REFERENCE

Any revision or amendment to this Terms of Reference, 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 Terms of Reference and this Terms of Reference shall be considered duly revised or amended.