

LEADER ENERGY HOLDING BERHAD

[Registration No. 202101022179 (1422479-U)]

Terms of Reference of the Remuneration Committee

DOCUMENT ID N.A.	TITLE Terms of Reference of the Remuneration Committee	RELEASE DATE 23/03/2023
REVISION 0	PREPARED BY Corporate Secretarial Department	
EFFECTIVE DATE 23/03/2023	REVIEWED & APPROVED BY Remuneration Committee & Board of Directors	DATE REVIEWED & APPROVED 23/03/2023

The Remuneration Committee of Leader Energy Holding Berhad (“the Company”) has established a formal procedure that clearly sets out its role and provides it with all the necessary powers to perform that role.

The Remuneration Committee serves as a board committee to assist the Board of Directors of the Company (“Board”) to implement its remuneration policies and procedures including reviewing and recommending matters relating to the remuneration of the Board and senior management.

1. Composition

Membership

- 1.1 The members of the Remuneration Committee shall be appointed by the Board amongst its Directors and must comprise wholly Non-Executive Directors and a majority of them must be Independent Directors, with at least three (3) members in total.
- 1.2 The Chairman of the Board must not be a member of the Remuneration Committee.

Chairman of Remuneration Committee

- 1.3 The members of the Remuneration Committee shall elect a Chairman from amongst their members who shall be an Independent Non-Executive Director.
- 1.4 In the absence of the Chairman of the Remuneration Committee, the other members of the Remuneration Committee present shall amongst themselves elect a Chairman who must be an Independent Non-Executive Director to chair the meeting.

Secretary

- 1.5 The secretary to the Remuneration Committee shall be the Company Secretary.

Relinquishment of Membership

- 1.6 Members of the Remuneration Committee may relinquish their membership in the Remuneration Committee with prior written notice to the Board and may continue to serve as Directors of the Company.
- 1.7 Where the members of the Remuneration Committee for any reason are reduced to less than three (3), the Board shall base on the recommendation of the Nominating Committee, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

2. Authority

The Remuneration Committee, in carrying out its duties and responsibilities, shall in accordance with the procedure determined by the Board and at the expense of the Company:

- 2.1 have the resources which are required to perform its duties;
- 2.2 have full and unrestricted access to any information within the Company and its subsidiaries (“Group”); and
- 2.3 be able to obtain independent professional advice or other advice and to invite persons with relevant experience and expertise to attend its meetings, if necessary.

3. Functions and Duties

The Remuneration Committee shall, amongst others, discharge the following functions:

- 3.1 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, taking into account the level of expertise, commitment and responsibilities undertaken.
- 3.2 To review and make recommendations to the Board in relation to the Company’s Directors and Senior Management Remuneration Policy (“Group Remuneration Policy”) and to assess the Group Remuneration Policy’s effectiveness and its compliance with applicable standards.
- 3.3 To review and recommend to the Board on the total individual remuneration package for Executive Directors and senior management including, where appropriate, bonuses, incentive payments within the terms of the agreed Group Remuneration Policy and based on individual performance, Group’s operating results and comparable market statistics.
- 3.4 In determining the remuneration packages of Directors and senior management, the Committee should take into consideration, amongst others, the following:
 - (a) individual’s performance, skills and experience, roles and responsibilities, qualifications, integrity, etc.;
 - (b) company’s performance in managing material sustainability risks and opportunities; and
 - (c) aligned with the business strategies and long-term objectives of the Group.
- 3.5 To review compensation policy of Directors and senior management, and ensure compensations offered are in line with market practice.
- 3.6 Ensure fees and benefits payable to the Directors, and any compensation for loss of employment of Executive Directors are approved by the shareholders at General Meetings.

- 3.7 To carry out other responsibilities, functions or assignments as may be agreed by the Board from time to time.

4. Meetings

Frequency

- 4.1 Meetings shall be held at least once a year. However, additional meetings may be called at any time as the Remuneration Committee deems necessary to fulfil its responsibilities.

Quorum and Voting

- 4.2 The quorum for a meeting of the Committee shall be at least two (2) members.
- 4.3 Each member of the Remuneration Committee is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority votes shall be the decision of the Remuneration Committee.
- 4.4 In the case of an equality of votes, the Chairman has a second or casting vote, except where two (2) members form a quorum, the Chairman 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. The question in issue shall then be tabled at the next meeting of the Remuneration Committee or referred to the Board for decision, whichever is more expedient.
- 4.5 A member of the Remuneration Committee shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her.

Agenda

- 4.6 A meeting agenda shall be sent to all members of the Remuneration Committee and any other persons who may be required/invited to attend the meeting of the Remuneration Committee and the agenda, together with the supporting papers, shall be circulated at least five (5) working days prior to each meeting. The members of the Remuneration Committee, may, however, consent to shorter notice whereupon the requisite period shall be waived.

Attendance

- 4.7 If any member is unable to be physically present, he/she may choose to participate by means of a conference telephone or by any other audio, or audio-visual, communication equipment which allows all persons participating in the meeting to hear and speak with each other and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.
- 4.8 The Remuneration Committee may invite any Board members or any member of management or appoint external consultants, if deemed expedient, to provide pertinent information as necessary to assist the Remuneration Committee in the discharge of its duties.

- 4.9 For good governance, each member must attend at least 50% of the meetings held within the year, failing which Nominating Committee will decide on the member's disqualification.

5. Minutes

- 5.1 The Company Secretary shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Remuneration Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.
- 5.2 Minutes of each meeting shall be distributed to the Board for notation.
- 5.3 The books containing the minutes of proceedings of any meeting of the Remuneration Committee shall be kept at the registered office of the Company and shall be opened to the inspection of any member of the Remuneration Committee or the Board.

6. Circular Resolution

- 6.1 A resolution in writing signed by a majority of the Remuneration Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Nominating Committee duly called and constituted.
- 6.2 The resolution may consist of several documents in like form, each signed by one (1) or more Remuneration Committee members. Such document may be accepted as sufficiently signed by a member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said member.

7. Reporting

The Committee, through its Chairman, shall report a summary of significant matters and all its recommendation to the Board at the next Board meeting after each Remuneration Committee meeting. When presenting any recommendations to the Board for approval, the Remuneration Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

The Chairman of the Remuneration Committee shall attend the Annual General Meeting of the Company and is answerable to any shareholder questions on the Remuneration Committee's activities.

8. Review of the Terms of Reference

Any amendments to this Terms of Reference shall be approved by the Board. This Terms of Reference will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Remuneration Committee's responsibilities.



This Terms of Reference has been adopted by the Board on 23 March 2023 and is made available for reference on the Company's website at <https://www.leaderenergy.com/>.