

**YGL CONVERGENCE BERHAD**  
**REGISTRAR NO. 200401010510 (649013-W)**  
**Incorporated in Malaysia**

**REMUNERATION COMMITTEE**  
**TERMS OF REFERENCE**

**1. ROLE**

The role of the Remuneration Committee ("Committee") is to support and advise the Board of Directors ("Board") of **Ygl Convergence Berhad** ("Ygl" or "Company") in relation to the remuneration packages of Executive Directors, Non-Executive Directors and Senior Management by reference to market practice, regulatory provisions and the interests of shareholders and other stakeholders.

The Committee shall be accountable to the Board and its responsibilities are set out in these Terms of Reference. In making recommendations to the Board, the Committee does not, of itself, have the power or authority of the Board in dealing with the matter on which it advises except where certain powers are specifically set out in these Terms of Reference or are delegated by the Board.

Remuneration in this context shall be interpreted in the broadest sense to include all benefits and terms of employment.

**2. OBJECTIVES**

The objectives of the Committee are to: -

- a) establish formal and transparent procedure for developing policy on executive remuneration and fixing the remuneration package of individual directors;
- b) ensure remuneration packages that attract, retain and motivate Executive Directors and senior management to maximize the value and promote long term success of the Company; and
- c) review remuneration packages of the executives to link rewards to corporate and individual performance for their contributions to the Company and the Group.

**3. COMPOSITION**

All Committee members must be Non-Executive Directors and a majority of them must be Independent Directors as determined by the Board from amongst the Directors of the Company. The Committee must consist of at least three (3) members.

The Committee shall elect a Chairman from among its members. The Chairman of the Board shall not be Chairman of the Committee.

If a member of the Committee resigns or for any reason ceases to be a member which results in the number of the members to fall below three, the Board shall within three (3) months from the date of that event appoint such number of new members as may be required to make up the minimum required three members.

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**4. DUTIES AND RESPONSIBILITIES**

The Committee should carry out the duties and responsibilities below in respect of the parent company and the Group as a whole, as appropriate. The Committee shall: -

- a) review and recommend remuneration policy of all Executive Directors and senior management with regards to all factors including relevant legal and regulatory requirements, the performance of the individual and independent reference to market rates for similar jobs of comparable companies in the same industry in order to align with business strategy and long term objectives of the Company;
- b) not be involved in any decisions as to their own remuneration. Remuneration of Non-Executive Directors shall be a matter for the Board subject to shareholders' approval in the general meeting;
- c) review ongoing appropriateness and relevance of the remuneration policy;
- d) review and recommend performance evaluation for the annual salary increment, performance bonus and any incentive for Executive Directors and senior management based on the performance measurement benchmark set by the Company;
- e) review and recommend any benefits in kind for the Executive Directors and senior management;
- f) review and recommend any compensation policy for the Executive Directors and senior management is fair and just compared with market practice;
- g) carry out governance responsibilities related to remuneration in compliance with the Malaysian Code on Corporate Governance;
- h) review the design of all share options or incentive plans prior to the approval by the Board and shareholders, determining when, the amount of such plan, designated individuals and the performance targets to be used;
- i) recommend engagement of external professional advisors to assist the Committee and the Board on remuneration matters where necessary; and
- j) furnish a report on its yearly activities which may be part of corporate governance statement in the Annual Report of the Company.

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**5. AUTHORITY**

In order to perform its duties, the Committee: -

- a) shall be granted full access to Company information and can seek information from any employee of the Company; and
- b) is authorised by the Board to obtain, at the Company's expense, external legal or other professional advice on any matters within its terms of reference.

**6. COMMITTEE MEETINGS**

The Committee shall meet at least once a year or as frequently as required.

In the event the elected Chairman is unable to attend a meeting, a member of the Committee shall be nominated as Chairman for the meeting.

Subject to the notice and quorum requirements as provided in these Terms of Reference, meeting of the Committee may be held and conducted through any digital telecommunication which allows all members in the meeting to hear one another. A member so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

Only members of the Committee have the right to attend committee meetings. However other individuals such as the Chief Executive Officer, Head of Human Resources and external advisers may be invited to attend for all or part of any meeting as and when necessary.

**7. QUORUM**

The quorum for a meeting of the Committee shall consist of not less than two (2) members.

**8. NOTICE OF MEETINGS**

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than seven (7) days before the date of the meeting. Supporting documents shall be sent to committee members and other attendees as appropriate at the same time.

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**9. SECRETARY AND MINUTES**

The Company Secretary(ies) or his/her nominees or such other persons authorised by the Board shall act as the Secretary of the Committee. The Company Secretary shall record, prepare and circulate the minutes of the meetings of the Committee in a timely manner to enable proper consideration to be given to the issues and ensure that all the minutes are properly kept and produced for inspection if required.

**10. CIRCULAR RESOLUTION**

A resolution in writing, signed by a majority of the Committee members for the time being entitled to receive notice of a meeting of the Committee, shall be as valid and effectual as if it had 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 of the members of the Committee.

**11. ANNUAL GENERAL MEETING**

The Committee Chairman shall attend the annual general meeting to answer any questions posed by the shareholders on the activities of the Committee.

**12. REPORTING RESPONSIBILITIES**

The Committee Chairman shall report to the Board to: -

- ensure that the Board has a whole has insight into the key issues discussed by, and the decisions of, the Committee;
- raise the awareness of the Board; and
- assist in the periodic review of the Committee's performance.

**13. REVISION AND UPDATES**

This Terms of Reference will be reviewed and updated from time to time in line with any changes in the corporate governance requirements as well as in consistent with the objectives and responsibilities of the Committee. Such amendments shall be approved by the Board and take effect from the date of adoption.