

**EXPRESS POWERR SOLUTIONS (M) BERHAD**

Registration No. 202301027296 (1521219-K)  
(Incorporated in Malaysia)

**TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

**1. DEFINITION:**

“Board”	:	Board of Directors of the Company.
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W)]
“Managing Director”	:	The Managing Director, means the Principal Executive Officer of the Company for the time being, by whatever name called, and whether or not he/she is a director.
“Committee”	:	The Remuneration Committee of the Company.
“Company”	:	Express Powerr Solutions (M) Berhad
“Directors”	:	The directors for the time being of the Company or such number of them as have authority to act for the Company.
“Group”	:	The Company and its subsidiary(ies), including any other future subsidiaries to be incorporated.
“Key Senior Management”	:	The most senior staff of the Group, including the heads of various divisions or departments led by Managing Director.
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities including any relevant practice and/or guidance notes, directives, guidelines issued pursuant thereto and any amendment, modification, or supplemental to the listing requirements that may be made from time to time.
“Secretary”	:	Any person or persons jointly appointed to perform the duties of a secretary of the Company including any person(s) appointed temporarily and any representative of the secretary.

**2. DATE ESTABLISHED**

The Committee was established on 30 June 2024.

**3. OBJECTIVES**

The Committee is established to:

- (i) Develop and formulate a transparent policy on the remuneration of Directors and Key Senior Management, and set the remuneration package of individual Directors and Key Senior Management;
- (ii) Adopt a formal and transparent procedure for determining the remuneration package of the Directors and Key Senior Management, which is to be based on objective considerations of the merits and values of the Director’s and Key Senior Management’s contribution to the Company;

- (iii) Ensure that the Managing Director and Key Senior Management's remuneration, benefits and rewards are linked to corporate and individual performance;
- (iv) Ensure that the remuneration package is sufficient to attract and retain the Directors and Key Senior Management needed to manage the Company successfully; and
- (v) Review the remuneration packages annually to gauge its competitiveness and attractiveness, and to make recommendations if and when necessary.

The Board decides on the remuneration packages upon considering the recommendations of the Remuneration Committee. The individual directors will abstain from deliberation relating to their own remuneration.

The existence of the Committee does not diminish the Board's ultimate statutory and fiduciary responsibility for decision-making relating to the functions and duties of the Committee.

The Committee shall also perform such other functions assigned by the Board.

#### **4. COMPOSITION**

The Board shall elect the Committee members from amongst themselves and it must be composed of no fewer than three (3) members consisting wholly of non-executive Directors, with a majority of whom are independent. Each member shall devote sufficient time to carry out the responsibilities and duties as a member of the Committee.

The term of office and performance of the Committee and each of its members shall be reviewed by the Board on an annual basis to determine whether its members have carried out their duties in accordance with their terms of reference.

The Chairman of the Board must not be a member of the Committee.

No alternate Director shall be appointed as a member of the Committee.

#### **5. RETIREMENT AND RESIGNATION**

In the event of any vacancy resulting in the reduction of the number of members of the Committee to below three (3), the vacancy shall be filled within three (3) months thereof.

##### **5.1 NOTICE OF RETIREMENT AND RESIGNATION**

The Member of the Committee, concurrently acting as a Director of the Board for the time being of the Company, who is desirous of resigning or retiring shall endeavour to forward a Letter of Resignation or Retirement, which may be transmitted in the form of physical, electronic or any means of communication, to the Company.

Unless otherwise stated in their respective employment contract with the Company, the resigning or retiring Member shall serve a notice period of not less than Thirty (30) Calendar Days from the date of resignation or retirement as indicated on the forwarded Letter of Resignation or Retirement, before the vacation of position on the Committee and Board of Directors.

## 6. CHAIRMAN

The Chairman of the Committee (“**Committee Chairman**”) shall be elected amongst the members of the Committee and shall be an independent non-executive Director. The Committee Chairman shall chair all meetings of the Committee other than matters concerning him/herself.

In the absence of the Committee Chairman, the remaining members present shall elect one of their members as Chairman of the meeting.

## 7. SECRETARY

The Secretariat of the Committee shall be the Secretary and shall be responsible, in consultation with the Committee Chairman, for drawing up the agenda and circulating it prior to each meeting.

## 8. MEETINGS

The Committee shall meet at least one (1) time a year or more frequently as the Committee Chairman shall decide in order to fulfill its duties.

The Secretary shall on the requisition of the members of the Committee, summon a meeting of the Committee and except in the case of an emergency, reasonable notice of every Committee meeting shall be given in writing and sent through the post, facsimile, electronic mail or by any means of telecommunication in permanent written form to all Committee members.

Other Board members and/or employees may attend the Committee meeting(s) upon invitation of the Committee.

Each member of the Committee is entitled to one (1) vote in deciding the matters deliberated in the meeting.

The decision that gains the majority votes shall be the decision of the Committee. In the event of an equality of votes, the Committee Chairman shall be entitled to a second or casting vote. The Committee Chairman shall not have a casting vote when only two (2) members (one of whom is the Committee Chairman) form a quorum or when only two (2) members are competent to vote on the question at issue.

Members of the Committee may participate in a meeting by means of conference telephone, conference videotape or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

Questions arising at any meeting of the Committee shall be decided by a majority of votes and a determination by a majority of members shall for all purposes be deemed a determination of the Committee.

Any member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting must declare his/her interest in the matters and shall abstain from deliberating and voting on the said matter.

## 9. MINUTES

Minutes of each meeting shall be kept at the registered office of the Company and distributed to each member of the Committee and also to the other members of the Board for notation. The Committee Chairman shall report on the proceeding of each meeting to the Board.

The minutes of the Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

The Committee members may inspect the minutes of the Committee at the registered office of the Company or such other place as may be determined by the Committee.

## **10. QUORUM**

The quorum for each meeting shall be two (2) members. No business shall be transacted unless a quorum is present either in person or by telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.

## **11. KEY FUNCTIONS AND RESPONSIBILITIES**

- (i) The Committee shall review and consider the scope of service agreements and remuneration policies and packages of executive Directors, Managing Director and Key Senior Management of the Group and make such recommendations to the Board as the Committee thinks fit.
- (ii) The Committee shall, on an annual basis and after taking due consideration of the assessment by the Nomination Committee of the effectiveness and contribution of every Director, Managing Director and Key Senior Management concerned, review the remuneration packages of Directors, Managing Director and Key Senior Management of the Group and recommend to the Board specific adjustments in remuneration packages, if any.
- (iii) The Committee shall review and make recommendations to the Board on Director's fees and other remuneration of non-executive Directors and independent Directors linking the level of remuneration to their level of responsibilities and contribution to their respective Board of Directors.
- (iv) The Committee shall oversee any major changes in employee remuneration and benefit structures throughout the Group.
- (v) The Committee shall review the policies governing the remuneration of Directors as well as policies governing the remuneration and promotion of Key Senior Management of the Group annually.
- (vi) The Committee may recommend to the Board the appointment of the services of such advisers or consultants, as it deems necessary to fulfil its responsibilities.

## **12. OTHER FUNCTIONS**

- (i) The Committee may obtain such information as it may require on the remuneration of any executive Director, Managing Director or employee of the Group.
- (ii) The Committee shall be entitled to secure the attendance of any person with the relevant experience and expertise at the Committee meetings if the Committee considers this appropriate.
- (iii) In considering its recommendations to the Board, the Committee shall be entitled to ensure that performance-related elements of remuneration should form a significant proportion of the total remuneration package of executive Directors, Managing Director as well as Key Senior Management of the Group and should be designed to align their interests with those of shareholders and to give such executive Directors, Managing Director and Key Senior Management the incentives to perform at the highest levels.
- (iv) The Committee may recommend to the Board, reasonable remuneration packages needed to attract, retain and motivate the Group's executive Directors, Managing Director and Key Senior Management of required quality.

- (v) The Committee may consider and recommend to the Board, where to position the executive Directors, Managing Director and Key Senior Management relative to other companies and to be aware what comparable companies are paying, taking account of relative performance and using such comparisons with caution.
- (vi) The Committee shall consider other matters as referred to the Committee by the Board or the Board of Directors of the respective subsidiaries.

### **13. ATTENDANCE OF OTHER DIRECTORS AND EMPLOYEES**

The Board must ensure that the other Directors and employees only attend the Committee meeting with the Committee's invitation, and only for the specific meeting that they have been invited to.

### **14. RIGHTS OF THE COMMITTEE**

The Company must ensure that, wherever necessary and reasonable for the performance of its duties, the Committee must, in accordance with a procedure to be determined by the Board and at the cost of the Company:

- (i) Have authority to investigate any matter within its terms of reference;
- (ii) Have the resources which are required to perform its duties;
- (iii) Have full and unrestricted access to any information pertaining to the Company;
- (iv) Be able to obtain independent and professional advice, whether internally or externally of the Company; and
- (v) Be able to convene meetings excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

### **15. REVIEW OF THE COMMITTEE**

The Board of the Company must review the following:

- (i) Terms of office of each Committee members on an annual basis; and
- (ii) Performance of the Committee and each of its members annually,

to determine whether the Committee and such members have carried out their duties in accordance with their terms of reference.

### **16. AUTHORITY**

The Committee is authorised:

- (i) To seek any information it requires from any employee of the Company in order to perform its duties;
- (ii) To obtain, at the Company's expense, external legal or other professional advice on any matters within its terms of reference; and
- (iii) To call any employee of the Company to be questioned at a meeting of the Committee as and when required.

## **17. ELECTED MEMBERS**

For information on the current members of the Committee, please refer to the *Corporate Information* section, under “*Investor Relations*” on the Company’s corporate website. The Company’s website is under construction. The screen will prompt “Under Construction” until it is ready.

## **18. CIRCULAR RESOLUTION**

A resolution in writing signed by a majority of the members of the Committee for the time being shall be deemed as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.

Any such resolution may consist of several documents in the like form, each signed by one (1) or more members. Any such documents may be accepted as sufficiently signed by the Committee if transmitted to the Company by facsimile or electronic mail or digital written message to include as a signature of a member of the Committee.

## **19. REVIEW OF THE TERMS OF REFERENCE**

The Committee shall recommend any changes to its terms of reference in such manner as the Committee deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated where necessary, i.e. when there are changes to the Malaysian Code of Corporate Governance, the Listing Requirements or any other regulatory requirements. It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the Committee’s role. This written term of reference will be made available on the Company’s website.

This Terms of Reference was adopted by the Board on 30 June 2024.

**END**