

RIVERVIEW RUBBER ESTATES, BERHAD

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

COMPOSITION

The Remuneration Committee shall consist entirely of Non-Executive Directors, majority of whom must be Independent Directors. It shall comprise at least three members and the quorum for the Committee shall be two members. The Chairman of the Remuneration Committee who must be an Independent Director and the members shall be appointed by the Board based on the recommendations of the Nomination Committee.

AUTHORITY

The Committee is responsible for developing the remuneration policy for the Principal Officer, Management Officers and Staff, in doing so, the Committee carries out the annual review of the overall remuneration policy and recommends this to the Board for approval. The Committee may request other Directors and key Executives to participate in Committee Meetings, as necessary, to carry out the Committee's responsibilities.

The Committee carries out the annual review of the overall remuneration in determining the remuneration packages and terms of service, the Committee has had regard to the size and operations of the Group, the recruitment, retention and incentivization of high quality Directors and Management. It must offer rewards which, on the basis of above average performance, offer rewards that are comparable to the industry.

The Committee has unrestricted access to advice and services of the Company Secretary who ensures that the Committee receives appropriate and timely information for its decision making. The Company Secretary ensures that all meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are recorded and maintained.

The Committee has full and immediate access to information required in the discharge of their duties, there is nevertheless a formal procedure in this regard. There is also a formal procedure, whether as a full Committee or in their individual capacity, to take independent advice, where necessary, in furtherance of the duties at the Group's expense.

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SCOPE AND FUNCTIONS

The scope and functions of the Committee include:

- Determining and agreeing with the Board the policy for the remuneration of the Principal Officer, Management Officers and such members of the staff that it chooses to consider;
- Reviewing remuneration trends across the Group including the salary increases proposed annually for all Group employees;
- Appointment and termination agreements for senior management;
- Determining targets for bonuses;
- To review the fees, benefits and allowances of Non-Executive Directors for recommendation to the Board to table for shareholders' approval.

The Committee's aim is to ensure that the structure of executive remuneration supports the achievement of the Company's performance objectives and, in turn increases shareholder value. The Company's guiding policy on executive remuneration is as follows:

- Executive remuneration packages should take into account the linkage between pay, performance and nature of work by rewarding both effective management and by making the enhancement of shareholder value a critical success factor in setting of incentives, both short and long term; and
- The overall level of salary, incentives pension and other benefits should be competitive when compared with other companies of similar size and within the industry.

FREQUENCY AND ATTENDANCE

The Committee shall meet at least once a year or when the employment contracts of the senior officers are due for renewal or when considered necessary by the Chairman of the Committee.

The Secretary of the Committee shall be appointed by the Committee from time to time. The Committee meeting agenda shall be the responsibility of the Committee Chairman with input from the Committee members. The Chairman may also ask management to participate in this process.

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FREQUENCY AND ATTENDANCE (CONT'D.)

The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the 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. The minutes of the Committee meeting shall be circulated to all Board members

The Committee, through its Chairman, shall report to the Board at the next Board of Directors' meeting after each Committee meeting. When presenting any recommendation to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision. The Committee shall provide such information to the Board as necessary to assist the Board in making a disclosure in the Annual Report in accordance with the Principles of the Malaysian Code on Corporate Governance and the Bursa Listing Requirements.

The Chairman of the Committee shall be available to answer questions about the Committee's work at the Annual General Meeting of the Company.

REVIEW OF TERMS

The Committee will review the Terms of Reference from time to time and make the necessary amendments to ensure that they remain consistent with the Company's objectives, current laws and practices.