



WATTA HOLDING BERHAD

REMUNERATION COMMITTEE

TERMS OF REFERENCE

Constitution

The Board has established a Committee of the Board to be known as the Remuneration Committee.

Composition

- (i) The Committee shall be appointed by the Board from amongst its directors of the Company which fulfils the following requirements:-
 - The Committee shall compose not less than three (3) members.
 - The members of the Committee shall only consist of non-executive directors and a majority of them must be independent directors.
- (ii) The members of the Committee shall elect a Chairman from among their number.
- (iii) If a member of the Committee resigns, dies or for any other reason ceases to be a member resulting in the number of members reduced below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.
- (iv) The Chairman of the Committee shall be entitled, where deemed appropriate, to invite any other person to a meeting of the Committee at which that person's expertise may be required having regard to the subject matter to be discussed.

Objective

Remuneration for a director should be determined so as to ensure that the Company attracts and retains the directors needed to run the Group successfully. The component parts of remuneration should be structured so as to link rewards to corporate and individual performance, in the case of executive directors.

Meetings

- (i) The Chairman of the Committee may request for a meeting as and when deemed necessary. A quorum shall be two (2) members.
- (ii) Notice of a meeting may be given in writing or by any other means of communication.



Functions

The Remuneration Committee is authorised by the Board to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors, as well as Senior Management where necessary.

The functions of the Committee shall include:-

1. Recommend to the board the framework of executive remuneration and its cost, and the remuneration package for each Executive Director, taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar jobs in a selected group of comparable companies.
2. To reimburse reasonable expenses incurred by the directors in the course of their duties as directors.
3. To review and determine the bonus scheme for the Executive Directors depending on various performance measurements of the Group.
4. To review and determine the other benefits-in-kind for the Executive Directors.
5. To review annually the Executive Directors' service contracts.

Disclosure requirements

- (i) Disclosure on remuneration of Directors of the Company (including the remuneration for services rendered to the Company as a Group) for the financial year on a named basis, stating the amount received or to be received from the Company and on a Group basis respectively. The disclosure must include the amount in each component of the remuneration (eg. Directors' fees, salaries, percentages, bonuses, commission, compensation for loss of office, benefits-in-kind based on an estimated money value) for each Director.
- (ii) Disclosure of senior management remuneration in bands of RM50,000.

Reporting Procedures

- (i) The remuneration of directors shall be ultimate responsibility of the full board after considering the recommendations of the Committee.
- (ii) Executive Directors shall not participate in decisions on their own remuneration packages.