

# **ORNAPAPER BERHAD**

(Company No. 573695-W)

*(Incorporated in Malaysia)*

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

### **1. Objectives**

To assist the Board of Directors in their responsibilities in assessing the remuneration packages of the executive directors and senior management

### **2. Composition of members**

The Board of Directors shall elect the Remuneration Committee members from amongst themselves, composed wholly of non-executive directors and majority of them must be Independent Director. The term of office of the Remuneration Committee shall be for a period of three (3) years and may be re-nominated and appointed by the Board of Directors from time to time.

### **3. Chairman**

The Chairman of the Remuneration Committee shall be elected from amongst the Remuneration Committee members. The Chairman of the Committee shall be approved by the Board of Directors.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the Meeting.

### **4. Secretary**

The Secretary of the Remuneration Committee shall be the Company Secretary of the Company.

### **5. Meetings**

The Remuneration Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

The Secretary shall on the requisition of the members of the Remuneration Committee summon a meeting of the Remuneration Committee except in the case of an emergency, reasonable notice of every Remuneration Committee meeting shall be given in writing.

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### **6. Quorum**

A quorum shall consist of two (2) members, one (1) of whom shall be an independent Director.

### **7. Authority**

The Remuneration Committee shall, in accordance with a formal and transparent procedure or process or policy on executive directors' and senior management's remuneration packages to be determined and established by the Board of Directors and at the expense of the Company,

- (a) shall review, assess and recommend to the Board of Directors the remuneration packages of the executive directors and senior management in all forms, with other independent professional advice or outside advice as necessary.
- (b) shall be entitled to the services of a company secretary who must ensure that all decisions made on the remuneration packages of the executive directors and senior management be properly recorded and minuted in the minutes book.

### **8. Duties and Responsibilities**

The duties and responsibilities of the Remuneration Committee are as follows:-

- To review and assess the remuneration packages of the executive directors and senior management in all forms, with or without other independent professional advice or other outside advice.
- To ensure the levels of remuneration be sufficiently attractive and be able to retain directors and senior management needed to run and manage the Company successfully.
- To structure the component parts of remuneration so as to link rewards to corporate and individual performance and to assess the needs of the Company for talent at Board and senior management level at a particular time.
- To review and recommend to the Board of Directors the remuneration packages of senior management for approval.
- To recommend to the Board of Directors the remuneration packages of the executive directors.
- To review and recommend to the Board the Director fees of Non-Executive Director and ensure that the remuneration and incentives for Independent Directors do not conflict with their obligations to bring objectivity and independent judgement to the Board.

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- The Director Fees and benefit reviewed by Remuneration Committee will be subject to the approval of shareholders at Annual General Meeting
- To act in line with the directions of the Board of Directors; and
- To consider and examine such other matters as the Remuneration Committee considers appropriate.