



POWERWELL HOLDINGS BERHAD
Registration No. 200101009151 (544907-X)
("Powerwell" or "the Company")
(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

COMPOSITION

The Remuneration Committee of Powerwell shall be appointed by the Directors from among themselves via a Director's resolution and shall comprise at least three (3) members, all of whom must be Non-Executive Directors, with a majority of them being independent.

The members of the Remuneration Committee shall elect a Chairman from among themselves and the Chairman shall be an Independent Non-Executive Director. All members of the Remuneration Committee, including the Chairman, will hold office only so long as they serve as Directors of Powerwell.

TERMS OF REFERENCE

Objective

The objective of the Remuneration Committee is to set the policy framework and to make recommendations to the Board of Directors of the Company ("**Board**") on all elements of the remuneration, terms of employment, reward structure and fringe benefits for Managing Director, Executive Directors and other key senior management with the aim to attract, motivate and retain individuals of the quality required to manage the Group's (i.e. Powerwell and its subsidiaries) business and to align the interests of the Executive Directors (including the Managing Director) and other key senior management with those of the Company's shareholders.

Executive Directors shall abstain from the deliberations and voting on decisions in respect of their respective remuneration package.

The remuneration and entitlements of the Non-Executive Directors including the Non-Executive Chairman shall be a matter to be decided by the Board of Directors as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration.

Authority

In carrying out its duties and responsibilities, the Remuneration Committee will in principle have access to Powerwell's records, properties and personnel. The Remuneration Committee may obtain the advice of external consultants on the appropriateness of remuneration package and other employment conditions if required.

The Remuneration Committee will review the compensation of Executive Directors, the Managing Director and recommend appropriate adjustments to the Board of Directors for their approval.

Duties and Responsibilities

The following are the main duties and responsibilities of the Remuneration Committee collectively. These are not exhaustive and can be augmented if necessary by Board approval:-

- Set, review, recommend and advise the Board on the policy and framework for the directors' remuneration and benefits as well as the remuneration packages and terms and conditions for Managing Director, Executive Directors and other key senior management ensuring that the level of remuneration and benefits are sufficiently competitive to attract, motivate and retain a team of executive directors and key senior management to manage the Company successfully and profitably.
- Review and recommend to the Board the contributions and performance of the Managing Director, Executive Directors and other key senior management on an annual basis to determine the level of rewards, both monetary and non-monetary, to be distributed to them based on the Company's profit performance as well as individual contributions and performance and taking into consideration current market practice.
- Non-Executive Directors to be paid annual Directors' fees and sitting allowances and reimbursement for attending Board and Board Committee meetings on company's matters. The level of such payments would be determined at full Board level meetings.
- Review the history of and proposals for the remuneration package of the Company's committees.
- Review the service contracts of the Managing Director and Executive Directors.

Meetings

The Remuneration Committee shall meet at least once a year. The Remuneration Committee will meet as and when required and report to the Board after each meeting.

The Remuneration Committee Meetings shall be chaired by the Chairman of the Remuneration Committee. In the absence of the Chairman of the Remuneration Committee, the members present shall elect from among themselves, a chairman for the Meeting. The Chairman also has the discretion to call for additional meetings at any time. The quorum for each meeting shall be two (2) members. All recommendations and findings of the Remuneration Committee shall be submitted to the Board of Directors for approval. In the absence of a meeting, any issues shall be resolved through circular resolution.

The Managing Director and the Executives Directors and/or other appropriate officers may be invited to attend where their presence is considered appropriate as determined by the Remuneration Committee.

The Company Secretary or his nominee or such other persons authorised by the Board shall act as the Secretary of the Remuneration Committee.