

PLB ENGINEERING BERHAD
(CO. NO.: 418224-X)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. Membership

- 1.1. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Remuneration Committee. The Committee shall be made up of at least 3 members, consisting wholly or mainly of non-executive directors.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 1.3. The Board shall appoint the Committee Chairman who shall be a non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 1.4. Executive directors should play no part in decision on their own remuneration. Membership of the remuneration committee should appear in the directors' report.
- 1.5. The determination of remuneration packages of non-executive directors, including non-executive chairman should be a matter for the board as a whole. The individuals concerned should abstain from discussion of their own remuneration.
- 1.6. Any question arising at any Committee meeting shall be decided by a majority of votes and a determination by a majority of committee. In the case of an equality of votes the Chairman shall have a casting vote.

2. Secretary

- 2.1. The Company Secretary or any other person so appointed by the Committee from time to time shall act as the Secretary of the Committee.

3. Quorum

The quorum necessary for the transaction of business shall be 2.

4. Frequency of Meetings

- 4.1. The Committee shall meet at least once a year or at such other times as the Chairman of the Committee shall require.

5. Notice of Meetings

- 5.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
- 5.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend the committees meetings, no later than 7 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. Minutes of Meetings

- 6.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.

7. Annual General Meeting

- 7.1. The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

8. Duties

The Committee will:

- 8.1. develop and agree with the Board the framework or broad policy on the fee structure and level of remuneration for executive directors of the board, CEO (where the CEO is not a director of the Company) and senior management and such other members of the executive management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the Board as a whole. No director or manager shall be involved in any decisions as to their own remuneration;
- 8.2. in determining such policy, take into account all factors which it deems necessary. The objective of such policy shall be able to:-
 - 8.2.1 attract and retain key personnel of requisite quality that increases productivity and profitability in the long run;
 - 8.2.2 motivate and create incentives for directors to perform at their best; and
 - 8.2.3 focus attention on the achievement of desired goals and objectives.

- 8.3. within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive as appropriate, determine the total individual remuneration package of each executive director and other senior executives including bonuses, incentive payments and share options or other share awards;
- 8.4. to include the component parts of remuneration to be structured so as to link rewards to corporate and individual performance, in the case of executive directors;
- 8.5. to take into account fee levels and trends for similar positions in the market, time commitment required from the director (estimated number of days per year) upon review of the fees for non executive directors. Such review should take into consideration any additional responsibilities undertaken such as a director acting as chairman of a board committee or as the senior independent non-executive director;
- 8.6. ensure the contractual terms on termination, and any payments made, are fair to the individual, and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 8.7. review and note annually the remuneration trends across the company or group;

9. Reporting Responsibilities

- 9.1 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10. Other

- 10.1 The Committee shall, as and when necessary, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11. Authority

- 11.1 The Committee is authorised by the Board to seek any information it requires from any employee of the company in order to perform its duties.