



**NEW HOONG FATT HOLDINGS BERHAD**  
Registration No. 199701010213 (425709-K)

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# TERMS OF REFERENCE OF REMUNERATION COMMITTEE

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Current Review Date: 25 November 2024

**NEW HOONG FATT HOLDINGS BERHAD**  
**TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

MEMBERS:

- Chia Swee Yuen, Independent Non-Executive Director (Chairman)
- Oei Kok Eong, Senior Independent Non-Executive Director
- Ng Chee Kiet, Independent Non-Executive Director

TERMS OF REFERENCE

**1. Composition**

- (a) The members of the Remuneration Committee (“RC”) of New Hoong Fatt Holdings Berhad (“the Company”) shall be appointed from amongst the Board of Directors (“the Board”) and shall:-
- (i) comprise of no fewer than three (3) members; and
  - (ii) comprise exclusively of Non-Executive Directors, a majority of whom are independent.
- (b) The appointment of a RC member will terminate when the member ceases to be a Director of the Company, or as determined by the Board.
- (c) If a RC member resigns, dies or for any other reason ceases to be a member resulting in the number of members reduced below three (3), the Board 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.
- (d) The performance of the RC and each of its members shall be reviewed by the Board annually to determine whether the RC and its members have carried out their duties effectively.
- (e) The RC Chairman shall be an Independent Director and shall not be the Chairman of the Board; and
- (f) The Chairman of the Board should not be a RC member.
- (g) The Company Secretaries or their nominee, or such other person authorised by the RC shall act as the Secretary of the RC.

**2. Functions and Duties**

**2.1 Remuneration of Directors and Key Senior Management**

- (a) Establish a formal and transparent policy on remuneration packages of individual Directors, taking into consideration the following:
- In the case of **Executive Directors**, the component parts of remuneration should be structured so as to link rewards to individual performance, market competitiveness as well as the overall performance of the Company and its subsidiaries (collectively “the Group”);
  - In the case of **Non-Executive Directors**, the level of remuneration should be aligned with market terms and shall reflect the individual’s experience, performance, time commitment required and additional responsibilities undertaken by the Non-Executive Director concerned, market competitiveness as well as the overall performance of the Group;

- In the case of remuneration and incentives for **Independent Directors**, the remuneration should not conflict with their obligation to provide objective and independent judgment.
- (b) Review and recommend to the Board for approval, the remuneration of the Executive Directors and Key Senior Management, including salary, bonuses, director's fees (where applicable), benefits-in-kind, and where appropriate, severance payments and other emoluments. This recommendation should be based on the Directors' and Key Senior Management's merit, qualifications and competence, while considering the operating results of the Group and individual performance.
  - (c) Review and recommend to the Board the remuneration of the Non-Executive Directors, assessing whether it aligns with each director's contribution, expertise, commitment and responsibilities before the Board recommends the same for shareholders' approval at the annual general meeting of the Company.

In the discharge of its duties, the RC may seek comparative information on remuneration practices, trends and conditions of service in comparable companies, whether in size and/or industry.

Directors, whether executive or non-executive, should abstain from discussing and participating in decisions on their own remuneration packages. Directors who are shareholders of the Company should abstain from voting at general meetings in relation to the approval of their fees.

### 2.3 **Others**

- (a) Review and assess the adequacy and relevance of its Terms of Reference and Remuneration Policy annually and recommend any changes it considers necessary to the Board for endorsement
- (b) The RC Chairman shall attend the Annual General Meeting of the Company to respond to any question that may be raised by shareholders on the RC activities or matters within its area of responsibility.
- (c) Consider other matters as delegated by the Board.

## 3. **Rights**

- (a) In carrying out its tasks under this Terms of Reference, the RC has the right to seek any information it requires from employees, Management and external parties.
- (b) The RC may obtain independent professional or other external advice, as deemed necessary, at the expense of the Company, with prior consent of the Board.

## 4. **Meetings**

- (a) The RC shall meet at least once in each financial year and report its recommendations, findings or decisions to the Board after each meeting.
- (b) Reasonable notice of meeting, the agenda of the business to be conducted and the accompanying meeting papers shall be given to members of the Committee at least one (1) week before each meeting
- (c) The quorum for a meeting shall be two (2) members, provided that the majority of members present at the meeting shall be Independent Directors.

- (d) In the absence of the RC Chairman, the other RC members shall amongst themselves elect an Independent Director to chair the meeting.
- (e) A circular resolution in writing signed by the RC members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a RC meeting duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) RC member or more and shall include signed copies via legible facsimile transmission or other written electronic means.
- (f) The Secretary of the RC shall attend the meetings and minute the proceedings thereof. The draft minutes shall be circulated to all members of the Committee for comment and approval within 30 days after the meetings. The approved minutes shall then be made available to Board members who are not RC members for notation. The RC must ensure that the minutes accurately reflect the deliberations and decisions made, including whether any members abstained from voting or deliberating on a particular matter.
- (g) Any RC member may participate in any RC meeting via telephone conferencing, video conferencing or by means of any communication technology which allows all participants in the meeting to communicate with each other. A member so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- (h) The RC may extend an invitation for other Directors, Management or external advisers to attend meetings or be present for a particular agenda as and when appropriate.

## **5. Review of the Terms of Reference**

The Terms of Reference of the RC should be reviewed annually and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the duties and responsibilities of the RC.

The Terms of Reference of RC is made available on the website of the Company at [www.newhoongfatt.com.my](http://www.newhoongfatt.com.my).