

D & O GREEN TECHNOLOGIES BERHAD
(Company. No: 645371-V)
(Incorporated in Malaysia)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

(Approved by Board on 24 March 2021)

1. OBJECTIVE

The Committee has adopted the objective, as recommended by the Malaysian Code on Corporate Governance, to determine the remuneration for Directors so as to ensure that the Company attracts and retains the Directors and senior management needed to run the Group successfully.

2. MEMBERSHIP

- 2.1 The Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than three (3) members.
- 2.2 The Committee shall consist of exclusively Non-Executive Directors, a majority of whom must be independent.
- 2.3 The members of the Committee shall elect a Chairman from amongst their number.
- 2.4 If a member of the Committee resigns or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three months appoint such number of new members as may be required to make up the minimum of three (3) members.
- 2.5 The term of office and performance of the Committee and of each of its members shall be reviewed by the Board no less than once every three (3) years. However, the appointment terminates when a member ceases to be a Director.

3. MEETINGS

- 3.1 The quorum for a Committee meeting shall be at least two (2) members with a majority of the Independent Directors present at the Meeting.
- 3.2 The Committee Members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- 3.3 All decisions at such meeting shall be decided on a show of hands by a majority of votes. The Chairman shall have the casting vote should a tie arise.
- 3.4 The Committee shall meet at least once a year and such additional meetings as the Chairman shall decide to discharge its duties and responsibilities per terms of reference.
- 3.5 The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
- 3.6 The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.
- 3.7 The minutes of the Committee shall be made available to the Board.

- 3.8 Any resolution in writing, signed or assented to by majority Members of the Committee who are Independent Directors shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held, and may consist of several documents in the like form, each signed by one or more Members of the Committee.
- 3.9 The Committee shall have the right to invite other Directors, Management and Consultants as applicable to participate in the Remuneration Committee Meetings as and when necessary to carry out its responsibilities.

4. RIGHTS AND AUTHORITY

The Committee is authorised to: -

- 4.1 Have adequate resources required to perform its duties.
- 4.2 Have full and unrestricted access to information, records and documents relevant to its activities. Whenever deemed necessary, external independent professional advisers are also made available to render their independent views and advice to the Committee, at the Company's expense.
- 4.3 Have the right to request other Directors, members of management, employees of the Group and consultants as applicable to participate in the Committee Meetings, as necessary, to carry out their responsibilities.

5. FUNCTIONS AND DUTIES

- 5.1 To establish a formal and transparent policy on remuneration package and benefits of individual Directors and Senior Management and to review such policy for its relevancy and compliance with laws and regulations shall the needs arise.
- 5.2 To review and recommend to the Board the remuneration (including incentive plan, bonuses, directors' fees and benefits) and other terms of employment of the Directors of the Company and Senior Management during appointment and on annual basis.
- 5.3 To review and recommend to the Board of Directors of the respective subsidiaries on the remuneration packages and other terms of employment of the chief executive officers as the Committee is designated to consider.
- 5.4 To oversee any major changes in employee remuneration and benefit structures throughout the Group.
- 5.5 To engage the services of consultants as the Committee shall deem necessary to fulfil its responsibilities.
- 5.6 To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

Note:-

The remuneration packages of directors, including Non-Executive Chairman, should be determined by the Board as a whole and the individuals directors concerned (whether executive or non-executive) should be abstained from discussing and from participating in decisions of their own remuneration packages.

6. OTHERS

6.1. Shareholders' Meeting

The Chairman of the Committee should attend the Shareholders' Meeting to answer any shareholder's questions on the Committee's activities, in particular on areas pertaining to proposed resolutions for shareholders to consider on the Directors' fee and Directors' Remuneration (excluding Directors' Fee) for each financial year.

6.2. Reporting Responsibilities

The Chairman of the Committee shall report to the Board on its proceedings after each meeting of the Committee. The Committee shall make recommendations to the Board as appropriate on any areas within its responsibility or as delegated by the Board, where action or improvement is needed. The Committee shall produce a report to be included in the Company's annual report about its activities and the disclosure of Directors' Remuneration or senior management's remuneration (where applicable).

7. REVIEW OF TERMS OF REFERENCE

The terms of reference should be assessed, reviewed and updated at least once every three years by the Remuneration Committee or as and when there are changes to the Malaysian Code on Corporate Governance 2017 and Main Market Listing Requirements that may have an effect on the Committees' responsibilities.

The Remuneration Committee should recommend any change to the terms of reference to the Board for approval.