

Digi.Com Berhad (425190-X)
Terms of Reference of Remuneration Committee



DEFINITIONS

“Digi” or “Company”	:	Digi.Com Berhad
“Board”	:	Board of Directors of Digi
“Group”	:	Digi and its subsidiaries

1.0 Composition

The Remuneration Committee shall consist of at least three (3) members, a majority of whom shall be Non-Executive Directors. The Chairman of the Remuneration Committee and the members shall be appointed by the Board based on the recommendations of the Nomination Committee. The appointment of a Committee member terminates when the member ceases to be a Director, or as determined by the Board.

2.0 Authority

- 2.1 The Committee may consult the Chairman of the Company regarding proposals relating to the remuneration of Chief Executive Officer and Executive Directors. The Committee may consult other Non-Executive Directors in its evaluation of the Chief Executive Officer and the Executive Directors. The Committee may request other Directors, members of Management, counsels, consultants as applicable to participate in Committee Meetings, as necessary, to carry out the Committee’s responsibilities.
- 2.2 The Committee shall have access to such information and advice, both from within the Group and externally on any matters within its Terms of Reference, as it deems necessary or appropriate in the discharge of its responsibilities accordance with the procedures determined by the Board and at the cost of the Group. The Committee is authorised by the Board to obtain external legal or other professional advice, as well as information about remuneration practices elsewhere. The Committee may, if think fit, secure the attendance of external advisers with relevant experience and expertise. No Director or Executive shall take part in decisions involving his/her own remuneration.

3.0 Responsibilities

The responsibilities of the Remuneration Committee shall include the following:-

- 3.1 To establish and recommend to the Board the remuneration structure and policy for Chief Executive Officer and Executive Director, and Non-Executive Director aligned with their responsibilities and contributions including the terms of employment or contract of employment/service, benefits, pension or incentive scheme entitlement, bonuses, fees and expenses and any



compensation payable on the termination of the service contract by the Company and/or the Group and to review for changes to the policy, as necessary.

- 3.2 To recommend to the Board the remuneration of Executive Directors and Non-Executive Directors in all forms.
- 3.3 To review the remuneration package for the Non-Executive Directors and the committees to be aligned with their responsibilities and contributions.
- 3.4 The determination of remuneration packages of Executive Directors and Non-Executive Directors, including Non-Executive Chairman, should be a matter for the Board as a whole where the individuals concerned shall abstain from discussion of their own remuneration.
- 3.5 To review the Chief Executive Officer goals and objectives and to assess his/her performance against these objectives as well as contribution to the corporate strategy.
- 3.6 To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration setting forming a significant proportion of the total remuneration package of Chief Executive Officer.
- 3.7 To align remuneration arrangements that focuses on senior management achieving long-term business objectives and growth in shareholders' wealth through formulation of incentive arrangements, including key performance indicators and performance hurdles.
- 3.8 To communicate with shareholders on executive remuneration, where necessary.
- 3.9 To consider other matters as referred to the Committee by the Board.

4.0 Meetings

4.1 Frequency of Meetings

The Committee shall meet at least once a year. Additional meetings shall be scheduled as considered necessary by the Committee or Chairman of the Committee.

4.2 Quorum and Proceedings of Meetings

- 4.2.1 The quorum for the meeting of the Remuneration Committee shall be at least two (2) members. In the absence of the Chairman of the Committee, the members present shall elect one of their member to chair the meeting.

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- 4.2.2 Matters arising at any meeting shall be decided by a majority vote, each member having one (1) vote. In the event of equality of votes, the Chairman of the Committee shall have a casting vote. However, at Meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairman will not have a casting vote.
- 4.2.3 The Committee may conduct its meeting to include participation thereat by any member or invitee via video or teleconferencing or any other means of audio or audio – visual communications.
- 4.2.4 A resolution in writing, signed by all members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

5.0 Secretary and Notice of Meetings

- 5.1 The Secretary of the Committee shall be appointed by the Committee from time to time. The Committee meeting agendas shall be the responsibility of the Committee Chairman with input from Committee members. The Chairman may also ask management to participate in this process.
- 5.2 The Notice and agenda for each meeting shall unless otherwise agreed to by the members, be circulated at least seven days before each meeting to the Committee members and all those who are required to attend the meeting.

6.0 Minutes of Meetings

- 6.1 The draft minutes of each Committee meeting are to be reviewed by the Chairman and circulated to all Committee members by the Company Secretary as soon as practicable but no later than the distribution date for papers for the next Nomination Committee meeting at which the minutes of the meeting are to be confirmed.
- 6.2 The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the Committee meeting shall be circulated to all Board members.

7.0 Reporting Responsibilities

- 7.1 The Committee, through its Chairman shall report to the Board at the next Board of Directors' meeting on its proceedings on all matters within its duties and responsibilities after each Committee meeting. When presenting

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any recommendation to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

8.0 Annual General Meeting

8.1 The Chairman of the Committee shall be available to answer questions about the Committee's work at the Annual General Meeting of the Company.

9.0 Other

9.1 The Committee shall review its own performance and terms of reference regularly to ensure it is operating at maximum effectiveness and recommend any change it considers necessary to the Board for approval.

9.2 Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third parties, shall first be presented to the Board for its approval. Upon the Board's approval, the said revision/amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised/amended.

10.0 Approval

This Terms of Reference was reviewed and approved by the Board of Directors on 13 March 2017.