



**DUFU TECHNOLOGY CORP. BERHAD** (581612-A) APPENDIX III  
**REMUNERATION COMMITTEE**  
**TERMS OF REFERENCE**

**TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

**1.0 MEMBERSHIP**

- 1.1 The Remuneration Committee (“RC” or “Committee”) of Dufu Technology Corp. Berhad (“DUFU” or “the Company”) shall be appointed by the Board of Directors of DUFU (“DUFU Board” or “the Board”) from amongst its members, and shall comprise not fewer than three (3) members, exclusively Non-Executive Directors of whom majority shall be the Independent Directors. At least one member of the RC shall be knowledgeable in the remuneration scheme, failing which expert advice may be obtained internally or externally.
- 1.2 No Alternate Director shall be appointed as the Member of the Committee.
- 1.3 A Chairman whom must be Independent Director shall be elected by members of the RC. In the absence of the Chairman, the remaining members present shall elect one of their members to chair the meeting.
- 1.4 The Company Secretary shall be the Secretary of the Committee.
- 1.5 A member who wishes to retire or resign from the RC shall notify DUFU Board in writing.
- 1.6 If a member, for any reason, ceases to be a member, DUFU Board shall within three (3) months, appoint a new member so that the number of members meet the minimum required number.
- 1.7 The office of a member shall become vacant upon the member’s resignation/ retirement/ removal or disqualification as a Director of the Company.

**2.0 DUTIES**

- 2.1 The duties of the RC shall be (on an annual basis):
  - (i) to review and recommend to DUFU Board in consultation with Management and the Chairman of the Board, a framework of remuneration and to determine the specific remuneration packages and terms of employment for each of the executive Directors and senior executives/divisional Directors those reporting directly to the Chairman and the Group Managing Director/CEO of Dufu Group.
  - (ii) to recommend to DUFU Board in consultation with Management and the Chairman of the Board, any long term incentive schemes which may be set up from time to time and to do all acts necessary in connection herewith.



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- (iii) to carry out its duties in the manner that it deemed expedient, subject always to any regulations or restrictions that may be imposed upon the RC by DUFU Board from time to time.

2.2 As part of its review, the RC shall ensure that:

- (i) all aspects of remuneration including Director's fees, salaries, allowances, bonuses, options and benefits-in-kind should be covered, and observe any major changes in employee benefit structures throughout Dufu Group.
- (ii) the remuneration packages should be comparable within the industry and comparable companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual executive Directors' and senior executives/divisional Directors' performances.
- (iii) to determine the policy for and scope of service agreements for the executive management team, termination payments and compensation commitments, including fixing appointment period for the Directors.
- (iv) to ensure the level of remuneration for Non-Executive Directors and Independent Directors are linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board.

### **3.0 ADMINISTRATION**

#### **3.1 Meetings**

- a) The meetings of the RC may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means and the minutes of such a meeting signed by the Chairman shall be conclusive of any meeting conducted as aforesaid.
- b) A resolution in writing signed or approved by letter, telex or facsimile by a majority of members (of whom must be independent Directors.) shall be effective for all purposes as if it were a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may consist of a single document or several documents all in like form each signed by one or more members.
- c) The meetings shall be held at least once a year. Additional meetings may also be held by the RC to discuss other issues, if deemed necessary.
- d) The RC shall have full discretion with regard to the calling of the meetings and the proceedings thereat and may invite any Director or management to its meetings.



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- e) The Company Secretary shall attend all the meetings and minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance. The minutes shall be confirmed by the Chairman of the meeting and circulated to all members of the RC. Subsequently, the said minutes shall be tabled to the Board for notation.
- f) The quorum necessary for the transaction of business shall be two of whom majority must comprise of Independent Directors. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretion vested or exercisable by the Committee.

### 3.2 Notice

The notice of each meeting of the RC, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the RC at least seven (7) days prior to the date of the meeting.

### 3.3 Voting

Each member present shall have one vote. All resolutions passed in the meeting shall be by majority votes. If the votes for and against a resolution are equal, the Chairman of the meeting shall have a casting vote.

## 4.0 GENERAL

- 4.1 The RC in carrying out its tasks under these terms of reference may obtain such external or other independent professional advice as it considers necessary to carry out its duties.
- 4.2 DUFU Board will ensure that the RC has access to professional advice both internally and externally at the Company's expense in order for it to perform its duties.
- 4.3 The RC's terms of reference may from time to time be amended as required, subject to the approval of the Board.
- 4.4 This Term of Reference of RC has been updated and adopted by the Board on 27 November 2017.