



CAM Resources Berhad [Registration No. 200001032704 (535311-D)]

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

The Terms of Reference of Remuneration Committee (“RC” or “Committee”) are as follows:

1. Purpose

The purpose of RC is to review and recommend to the Board the remuneration packages of Executive Directors, Non-Executive Directors and Senior Management of the Company and its subsidiaries (“the Group”) to attract, retain and motivate Directors and senior management to drive the long- term objectives of the Company.

2. Composition

The RC shall be appointed from amongst the Board members and shall:

- i. comprise of not less than three (3) members; and
- ii. comprise of exclusively Non-Executive Directors, a majority of whom must be independent.

The office of a RC member shall be vacated when he/she ceases to be a Director of the Company.

In the event of any vacancy in the RC resulting in the non-compliance of the above, the Company must fill the vacancy within three (3) months.

No alternate Director shall be appointed as a RC member.

3. Chairman

The Chairman of the RC shall be elected by the RC from amongst their members, who is an Independent Non-Executive Director and shall not be the Chairman of the Board.

The Chairman’s role is to lead the development and periodic review of the remuneration framework and policy for Directors and Senior Management.

In the absence of the Chairman, the meeting shall be chaired by another Committee Member.

4. Secretary

The Company Secretary or his/her nominee shall act as Secretary of the RC and shall be responsible, in conjunction with the RC Chairman, for drawing up the agenda and circulating it prior to the RC meeting.



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The Company Secretary or his/her nominee shall be in attendance at each RC meeting and record the proceedings of the RC meeting thereat and minute the resolutions.

The Company Secretary shall also be responsible for keeping the minutes of meetings of the RC and circulating them to the RC Members. The RC members may inspect the minutes of the RC meetings at the Registered Office of the Company.

5. Meetings

The number of meetings that the RC shall hold will depend on the circumstances, but as a minimum, there must be at least one (1) meeting in each financial year. Additional meetings shall be scheduled as considered necessary by the RC or Chairman. The RC may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.

The RC members may participate in a RC meeting by means of conference telephone, conference videophone or any similar or other communications equipment by which case all persons participating in the RC meeting can hear each other. Such participation in a RC meeting shall constitute presence in person at such a meeting.

The quorum for a RC meeting shall be two (2) RC members with majority of Independent Directors present at the meeting.

All decisions at such RC meeting shall be decided on a show of hands by majority of votes. In the case of an equality of votes, the RC Chairman shall be entitled to a casting vote in addition to the vote to which he is entitled as a RC Member.

The RC meetings shall be called by the Secretary of the RC at the request of the RC Chairman based on planned calendar dates. Notice of each RC meeting confirming the venue, time and date, together with an agenda of items and its supporting papers to be discussed, shall be forwarded to all RC members.

The RC shall have the right to invite other Directors, members of Management and/or external advisers/consultants as applicable to participate in the RC meeting, as and when necessary, to carry out its responsibilities.

The Secretary or his/her nominee shall minute of the proceedings and resolutions, including the names of all attendees. Draft minutes of RC meetings shall be circulated to all RC members. Once approved, minutes should be circulated to all other Directors, unless a conflict of interest exists.



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The RC Chairman shall report to the Board on its proceedings after each RC meeting on matters within its duties and responsibilities. The RC shall make recommendations to the Board as it deems appropriate in any area within its remit where action or improvement is needed.

6. RC Resolutions in Writing

In the event the RC require matters to be approved by way of a written resolution, a resolution in writing signed or approved by any other form of electronic communications by all RC members, shall be as valid and effectual as if it had been passed at a RC meeting duly called and constituted.

Any such resolution may be executed in any number of counterparts, each signed by one (1) or more RC members, all of which, taken together and when delivered to the Secretary without delay, shall constitute one (1) and the same resolution and be recorded by him/her in the Company's minutes book.

7. Authority

The right of RC shall:

- a) review, assess and recommend to the Board of Directors the remuneration packages of the Non-Executive Directors, Executive Directors and key Senior Management personnel in all forms, with other independent professional advice or outside advice is necessary;
- b) have the resources which are required to perform its duties;
- c) have full and unrestricted access to all resources and information and documents within the Group as deemed appropriate for the discharge of its responsibilities to the Company;
- d) have the right to obtain independent professional or other advice on remuneration at the Company, with the prior consent of the Managing Director/Executive Directors to approve the budget;
- e) be entitled to the services of the Company Secretary to ensure that all appointments are properly made, that all necessary information is obtained from the Board, both the Company's own records and for the purposes of meeting statutory requirements, as well as obligations arising from the Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and/or other regulatory authorities.
- f) have the right to invite any employees of the Group to attend RC meetings and to brief the RC Members on matters being deliberated;



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- g) meet as and when required on a reasonable notice and have the right to regulate its own procedure on the calling of RC meeting;
- h) have the right to pass resolutions by a simple majority vote of the Committee members and the Chairman shall have the casting vote should a tie rise; and
- i) have the right to provide recommendations to the Board for consideration and approval.

8. Duties and Functions

The main functions and duties of the RC shall include, but are not limited to the following:

1. To recommend and advise the Board on the remuneration and terms of conditions (and where appropriate, severance payments) of the Non-Executive Directors, Executive Directors and key senior management personnel, ensuring that remuneration is set at a competitive level for similar roles within comparable markets to recruit, attract, retain and motivate high calibre individuals and so structured as to align their interest with those of the Company and shareholders;
2. To establish a formal and transparent procedure for developing a framework or policy on the remuneration packages of individual Directors and key senior management personnel, taking into consideration the following:
 - a) In case of Executive Directors (including Managing Director and key Senior Management), the component parts of remuneration should be structured so as to link rewards to corporate and individual performance;
 - b) In the case of Non-Executive Directors, the level of remuneration should reflect the experience, expertise, commitment and level of responsibilities undertaken by the Non-Executive Directors.

The Executive Directors and key Senior Management personnel should play no part in decisions involving their own remuneration.

3. To review and recommend to the Board on the remuneration of Executive Directors, Non-Executive Directors and key Senior Management personnel, particularly on whether the remuneration remains appropriate to each Director's contribution, by taking into account the level of expertise, commitment and level of responsibilities undertaken;



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4. To consider and review any renewal of service contracts of the executive Directors and key Senior Management personnel as and when due, as well as any services contracts and remuneration package for newly appointed executive Directors or and key Senior Management personnel prior to their appointment;
5. To monitor structures and levels of remuneration for key Senior Management personnel and make recommendations, if appropriate, to ensure consistency with the Company's remuneration objectives;
6. To recommend and advise the Board on any major changes to employee compensation and benefits arrangements applicable to the Executive Directors, Managing Director and key Senior Management personnel;
7. To recommend and advise the Board on the incentive plans for the Executive Directors, Managing Director and and key Senior Management personnel, and any amendments to such plan;
8. To establish, review and recommend the Board on the benefits in all its form for the Executive Directors, Non-Executive Directors, Managing Director and Senior Management under the employment with the Group;
9. To review and recommend the Board on annual salary increments and bonuses for the Executive Directors, Managing Director and key Senior Management personnel under the employment of the Group;
10. To review and recommend the Board on approval of the annual total remuneration packages (guaranteed pay, short and long-term incentives, and any compensation payable for loss or termination of office or appointment) of individual Executive Director, Managing Director and key Senior Management personnel;
11. To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time;

Notes:

The remuneration packages of Directors, including the Chairman, shall be determined by the Board as a whole, and the individual Directors concerned (whether Executive or Non-Executive) shall abstain from discussing and from participating in decisions on their own remuneration packages.



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9. Shareholders' Meeting

The Chairman of the RC should attend the shareholders' meeting to answer any shareholder's questions on the RC's activities, particularly on areas pertaining to proposed resolutions for shareholders to consider on the Directors' fee and remuneration for each financial year.

10. Reporting Responsibilities

The Chairman of the RC shall report to the Board on the RC's proceedings after RC meeting. The RC shall make recommendations to the Board as appropriate on any area within its responsibility or as delegated by the Board, where action or improvement is required.

The RC shall review the report to be included in the Company's annual report regarding its activities and the disclosure of Directors' remuneration and/or Senior Management's remuneration (where applicable).

11. Access to Advice

In furtherance to their duties as the RC members of the Company, there should be an agreed procedure for the members, whether as a full RC or in their individual capacity, access to resources and information as deemed appropriate for the discharge of their responsibilities to the Company, including obtaining independent professional advice at the Company's expense and periodic review of its terms of reference against its performance.

12. Review and/or Updates of Terms of Reference

The terms of reference should be assessed, reviewed and updated at least once every three (3) years by the RC or as and when there are changes to the Malaysian Code on Corporate Governance, Main Market Listing Requirements of Bursa Securities, and any other regulatory requirement that may be applicable or have an effect on the responsibilities of the RC, or any changes to the direction or strategies of the Group that may affect the RC's roles and responsibilities.

The RC should recommend any change to the terms of reference to the Board for approval in such manners as the RC deems appropriate to the Board for approval.

The terms of reference were reviewed and approved by the Board on 17 November 2022.