

CHEMLITE INNOVATION BERHAD
[Registration No. 202401021849 (1567698-V)]
(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE ("RC")

1. Objectives

- 1.1 The principal objectives of the RC is to assist the Board of Directors ("**Board**") of Chemlite Innovation Berhad (the "**Company**") in their responsibilities:-
- (a) to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration, fee and other benefits of the Board and key senior management; and
 - (b) to ensure that all Directors and key senior management are fairly rewarded for their individual contribution to the Company's overall performance, and that the remuneration commensurate with the level of executive responsibility, is similar to other companies and is appropriate in light of the Company's objectives and performance.

2. Composition of members

- 2.1 The RC shall comprise of at least three (3) members.
- 2.2 The Board shall appoint the RC members from amongst themselves, comprising exclusively of Non-Executive Directors, of which a majority of whom shall be Independent Directors.
- In this respect, the Board adopts the definition of "Independent Director" as defined under the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 2.3 The term of office of the RC shall be for such time as determined by the Board and members of the RC may be re-nominated and appointed by the Board from time to time.
- 2.4 No alternate Director shall be appointed as a member of the RC.

3. Chairman

- 3.1 The Chairman of the RC shall be an Independent Director appointed by the Board from amongst the RC members. The Chairman of the RC shall chair all the RC meetings but in the absence of the Chairman, the members of the RC can elect from amongst themselves as the Chairman of the RC meeting.

4. Secretary(ies)

- 4.1 The Secretary(ies) of the RC shall be the Company Secretary(ies) of the Company.
- 4.2 The Secretary(ies) shall be responsible for drawing up the agenda and circulating it prior to each meeting and keeping the minutes of meetings of the RC.

5. Meetings

- 5.1 The RC may meet together for the despatch of business, adjourn and otherwise regulate their meetings at least once a year or more frequently as deemed necessary. The Chairman or any member of the RC may call for additional meetings at any time at their discretion.

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(Terms of Reference of the RC – cont'd)

- 5.2 Reasonable notice of RC meetings shall be given in writing sent through post, facsimile, electronic mail and by any means of telecommunication in permanent written form to all the RC members, except in the case of emergency, where the NC may waive such requirement.
- 5.3 The RC may hold a committee meeting at two (2) or more venues within or outside Malaysia using any technology that gives the RC members as a whole a reasonable opportunity to participate. Any member of the RC participating at a RC meeting by way of telephone and video conferencing or by means of other communication equipment whereby all persons participating in the meeting are able to hear each other and be heard for the entire duration of the meeting in which event such member shall be deemed to be present at the meeting. A member participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the members attending the meeting provided that at least one (1) of the RC members present at the meeting was at such place for the duration of that meeting. All information and documents must be made equally available to all participants prior to or at/during the meeting.
- 5.4 Questions arising at any meeting of the RC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the RC shall have a second or casting vote.
- 5.5 Other Board members, employees and/or consultants may attend the RC meeting upon invitation of the RC.

6. Quorum

- 6.1 A quorum shall consist of two (2) members who are Independent Non-Executive Directors.

7. Circular Resolution

- 7.1 A resolution in writing may be accepted as sufficiently signed by a member of the RC if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by a majority of the RC members for the time being and shall be valid and effectual as if it had been passed at a meeting of the RC duly called and constituted. All such resolutions shall be described as "RC Members' Resolution in Writing" and shall be forwarded or otherwise delivered to the Company Secretary(ies) without delay, and shall be recorded by the Company Secretary(ies) in the Company's Minutes Book. Any such resolution may consist of several documents in like form, each signed by one (1) or more RC members.

8. Minutes

- 8.1 Minutes of each RC meeting shall be kept at the registered office and distributed to each member of the RC and also to the other members of the Board. The RC Chairman shall report on the proceedings of each meeting to the Board.
- 8.2 The minutes of the RC meeting 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 of the proceedings of the meeting duly held.

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(Terms of Reference of the RC – cont'd)

- 8.3 The RC members may inspect the minutes of the RC at the registered office or such other place as may be determined by the RC.

9. Reporting

- 9.1 The Chairman of the RC shall report to the Board on the proceedings of each meeting and on matters as it considers appropriate within its Terms of Reference ("**TOR**") at least once a year, but more frequently if it so wishes, either formally in writing or verbally.
- 9.2 The RC shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The RC shall report to the Board on any specific matters referred to it by the Board.

10. Authority

- 10.1 The RC in performing its duties shall, in accordance with a procedure to be determined by the Board, where necessary and reasonable for the performance of its duties:-
- (a) have the resources which are required to perform its duties;
 - (b) have full and unrestricted access to any details/information pertaining to the Company;
 - (c) be able to obtain independent professional advice;
 - (d) be able to secure the attendance of external advisers and shall have the discretion to decide who else other than its own members to attend meetings, if it thinks fit; and
 - (e) be entitled to the services of the Company Secretary(ies) who must ensure that all decisions made on the remuneration packages of the Directors properly recorded and minuted in the minutes book.

11. Restrictions

None of the RC members shall participate in the deliberation, recommendation, decision and voting of his/her own Directors' fee or other benefits.

12. Duties and Responsibilities

- 12.1 The duties and responsibilities of the RC are as follows:-
- (a) to assist the Board in determining the remuneration of the Executive Directors and key senior management. In fulfilling this responsibility, the RC is to ensure that the Executive Directors and the key senior management:-
 - (i) are fairly rewarded for their individual contributions to overall performance;
 - (ii) that the compensation is reasonable in light of the Company's objectives; and

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(Terms of Reference of the RC – cont'd)

- (iii) that the compensation is similar to other companies;
- (b) to review and recommend on an annual basis, the performance of the Directors and the key senior management, and recommend to the Board specific adjustments in remuneration and/or reward payments to be passed at a general meeting;
- (c) to establish the Executive Director's goals, objectives and key performance indicators;
- (d) to review the Executive Director's performance against the goals, objectives and key performance indicators set;
- (e) to ensure that the remuneration packages and benefits for Independent Non-Executive Directors do not conflict with their obligations to bring objective and independent judgement to the Board; and
- (f) to consider any other relevant matters as delegated by the Board.

13. Review of TOR

This TOR shall be assessed, reviewed and updated where necessary. All amendments to the TOR, as recommended by the RC, must be approved by the Board.

This TOR is adopted by the Board on 17 February 2025