



## **STAR MEDIA GROUP BERHAD**

### **TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

#### **OBJECTIVE**

The principal objective of the Remuneration Committee (the “Committee” or “RC”) of Star Media Group Berhad (the “Company”) is to assist the Board in assessing and recommending the remuneration packages of the Directors and Senior/Key Management of the Company and subsidiaries of the Company (“Group”).

#### **1. MEMBERSHIP**

- a) Members shall be appointed by the Board from among the Directors of the Company and shall comprise exclusively or a majority of, Non-Executive Directors. The RC shall compose of not fewer than three (3) members;
- b) The members of the Committee shall elect a Chairman from among their number who is not an Executive Director of the Company, unless appointed by the Board of Directors;
- c) In the event of any vacancy in the Committee resulting in the number of their members being reduced to below three (3), the Board shall within three (3) months fill the vacancy.

#### **2. DUTIES AND RESPONSIBILITIES**

- a) To establish and recommend to the Board, a broad policy framework on the terms of remuneration packages in all its forms for the Executive Directors and Senior/Key Management of the Company and Group. In this role, the Committee shall seek to ensure that they receive compensation which are appropriate to their scale of responsibilities taking into account the demands, complexities and performance of the Company as well as skills and experience required. The Committee shall ensure that the levels of remuneration commensurate with the industry and the remuneration packages are sufficient to attract, motivate and retain them to run the Company successfully.

Senior/Key Management team includes the Group Chief Executive Officer and other C-Suites such as Group Chief Financial Officer and Group Chief Operating Officer, Heads of Departments/Units and other senior/key management employees in pivotal positions as may be identified and determined from time to time by the Company.

- b) To review all elements of the remuneration, terms of employment, reward structure and fringe benefits for Executive Directors and Senior/Key Management.
- c) To assist the Board in reviewing the key performance indicators (“KPI”), performance, compensation and remuneration packages of the Executive Directors and Senior/Key Management. The Committee’s role is also to recommend the proposed performance bonus and salary increment for the Executive Directors and Senior/Key Management to ensure that a strong link is maintained between the level of remuneration and individual performance against the performance targets established. If instructed by the Board, confirmation of the positions of the Senior/Key Management who are undergoing probation would also be subjected to review by the Committee and be evaluated based on their performance.

- d) To review the proposed performance bonus and salary adjustment for all Heads of Departments/Units reporting directly to Group CEO. This will be done based on the annual performance evaluation carried out by the Group CEO.
- e) To recommend to the Board the remuneration packages in all its forms of the Non-Executive Directors including the Non-Executive Chairman and members of Board Committees, shall be a matter for the members of the Board as a whole, with the Director concerned abstaining from deliberation and voting on the decisions of his/her own remuneration. The level of remuneration shall reflect the level of responsibilities undertaken by a particular Non-Executive Director.
- f) In considering the appropriate remuneration packages of the Non-Executive Directors, the Committee shall take into consideration the need to attract, retain and motivate individuals of the necessary calibre.
- g) To consider details of Executive and Non-Executive Directors' remuneration that should be reported and how these details should be presented in the Annual Report.
- h) To consider any compensation packages payable for loss or termination of office or appointment of Directors and Senior/Key Management personnel of the Company and Group.
- i) The Committee's function shall be extended to review the allocation of salary increment and bonus of all staff of the Group, including the Collective Agreement between the Company and the Trade Union.

### **3. AUTHORITY**

The Committee's authority includes access to resources and information as deemed appropriate for the discharge of its responsibilities to the Company, including obtaining appropriate professional advice inside and outside the Group as and when considered necessary at the Company's expense and periodic review of its term of reference against its performance.

### **4. MEETINGS AND QUORUM**

- a) The Committee shall meet at least once a year. However, additional meetings may be called at any time at the Committee Chairman's discretion.
- b) A majority of the members comprising of at least one non-executive director in attendance will be sufficient to form a quorum for the meeting.
- c) Only the Committee Chairman and members shall be entitled to participate at Committee meetings. At the invitation of the Committee, other Directors including Group Managing Director/CEO may also attend the meetings, unless there is a conflict of interest.
- d) In the absence of Chairman, the remaining members present shall elect one of their number present to chair the meeting, who should not be an Executive Director.

- e) All resolutions of the Committee shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the meeting shall have a second or casting vote.
- f) A resolution in writing, signed by all the 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. REPORTING**

The Chairman of the Committee shall report each meeting to the Board.

**6. SECRETARY**

The Secretary to the Committee shall be the Company Secretary.

**7. MINUTES OF MEETINGS**

The Secretary of the Committee shall keep the minutes of meetings and copies thereof shall be circulated to all members of the Board