ARVEX BERHAD
[Registration No. 202501045449 (1646857-P)]

TERMS OF REFERENCE OF REMUNERATION COMITTEEE

1.0 MEMBERSHIP

1.1 The Membership and the Chairman of the Remuneration Committee ("RC") of Arvex Berhad ("the Company") shall be appointed by the Board of Directors of the Company ("Board") and shall comprise of not fewer than there (3) members who shall be appointed from among the Board.

1.2 The Chairman of the RC shall be an Independent Director which shall be appointed by the Board.

1.3 All of the members of the RC should consists of Non-Executive Directors and a majority of whom must be Independent Directors, drawing advice from experts, if necessary and free from any business or relationship that in the opinion of the Board would materially interfere with the exercise of his/her independent judgement as a member of the RC, and at least one member who shall be independent and knowledgeable in executive compensation, failing which expert advice may be obtained internally or externally, if necessary.

1.4 No Alternate Director shall be appointed as the Member of the RC unless he/she is an Alternate Director to the appointed RC Member.

1.5 The Chairman shall be elected by members of the RC. In the absence of the RC Chairman, the remaining members present shall elect one of their members to chair the meeting.

1.6 A Secretary shall be nominated by the RC.

1.7 A member who wishes to retire or resign from the RC shall notify the Board in writing.

1.8 If a member, for any reason, ceases to be a member, the Board of the Company shall appoint a new member so that the number of members does not fall below three (3).

1.9 The office of a member shall become vacant upon the member's resignation/ retirement/removal or disqualification as a Director of the Company.

1.10 The Chairman of the Board should not be a member of the Committee.

2.0 POWERS AND AUTHORITY

2.1. The Board authorises the RC, within the scope of its duties and responsibilities set out in this TOR to:

2.1.1. perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
2.1.2. have full and unrestricted access to information, records, properties and personnel within the Group;
2.1.3. obtain relevant internal and external independent professional to assist in the proper discharge of its roles and responsibilities; advice, as it deems necessary; and
2.1.4. have access to the information pertaining to the Company.

3.0 DUTIES AND RESPONSIBILITIES

3.1 The duties of the RC shall be (on an annual basis):

3.1.1 review and recommend to the Board in consultation with Management and the Chairman of the Board, a framework of remuneration with the following parameters:

a) implement its remuneration policies and procedures including reviewing and recommending matters relating to the remuneration of Board and Senior Management;
b) who the policy will relate to i.e. Directors and Senior Management of the Company;
b) review and assess on how best to measure the performance of the Directors and Senior Management;
c) review and assess on the procedure of payout and how it will be linked to performance of individual and company;
d) assist the Board in developing and administrating a fair and transparent procedure for setting policy on remuneration of Directors and Senior Management. Remuneration packages are determined on the basis of the Directors' and Senior Management's merits, qualifications and competence, having regard to the company's operating results, individual performance and comparable market information;
e) review the level of remuneration as it should be aligned with the business strategy and long-term objectives of the Company, demand and complexity of the Company's activities, reflect the experience and level of responsibilities undertaken by the Executive Directors, Non-Executive Directors and Senior Management;
f) in determining the appropriate level of remuneration for Directors and Senior Management, the Company's performance in managing material sustainability risks and opportunities should also be taken into consideration.
f) review and determine the specific remuneration packages and terms of employment for each of the Executive Directors, Non-Executive Directors, Senior Management and Senior Executives/Divisional Directors those reporting directly to the Chairman and the Managing Director of the Company including those employees related to the Executive Directors and controlling shareholders of the Group, where the

individuals concerned shall abstain from discussion of their own remuneration; and

g) to consider all other related matters as may be requested by the Board from time to time;

h) recommend to the 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.

3.1.2 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 the Board from time to time.

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

3.2.1 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 the Group.

3.2.2 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, Senior Management and Senior Executives/Divisional Directors' performances.

3.2.3 the remuneration package of employees related to Executive Directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

3.2.4 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.

3.2.5 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.

3.3 Disclosure of Remuneration of Directors, Managing Director and Senior Management

3.3.1. to formulate policies, procedures, guidelines and set criteria for remuneration packages for the Executive Directors, Non-Executive Directors and Senior Management, which should be disclosed in the Annual Report where necessary;

3.3.2. the remuneration policies and practices should appropriately reflect the different roles and responsibilities of Executive Directors, Non-Executive Directors and Senior Management.

3.3.3. the detailed disclosure on a named basis of the remuneration of individual directors, including fees, salary, bonus, benefits in kind and other emoluments shall be disclosed in the Annual Report.

3.3.4 to determine and disclose on a named basis the top five Senior Management’s remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000 as and when the Board deems appropriate.

3.3.5 the detailed disclosure allows shareholders to make an informed decision when voting on the approval of Directors' remuneration and to consider the appropriate remuneration package taking into account the responsibilities of the Directors.

3.3.6 the disclosure of how the remuneration is measured allows stakeholders to understand the link between Senior Management remuneration and the Company's performance and will also enable stakeholders to determine whether the remuneration is fair and able to attract and retain talent.

3.3.7 the Chairman of the Committee or in his absence, another member of the Committee shall attend the Annual General Meeting of the Company and be prepared to respond to questions at the meeting on the Committee's work and responsibilities.

3.4 Review and recommend to the Board of Directors and thereafter the shareholders at the Annual General Meeting, the fees of the directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of the Company.

4.0 ADMINISTRATION

4.1 Meetings

4.1.1 The meetings of the RC may be conducted either in person or otherwise 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.

4.1.2 A resolution in writing signed or approved by letter, electronic means, telex or facsimile by a majority of members (of whom shall exclusively comprise majority Non-Executive Directors and at least one must be an Independent Director) 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.

4.1.3 The meetings shall be held at least once a year. Additional meetings may also be held by the RC to discuss other issues, which the RC considers necessary. The Committee meetings shall be governed by the provisions of the Company's Constitution relating to Board meetings unless otherwise provided for in this Terms of Reference. The Committee may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.

4.1.4 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.

4.1.5 The RC shall appoint a secretary who shall attend all 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.

4.1.6 The quorum necessary for the transaction of business shall be two of whom must be majority of Non-Executive Directors and at least one must be an Independent Director. 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.

4.1.7 A member of the Committee shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him. Where this causes a lack of quorum, the Committee shall appoint another candidate(s) who meets the membership criteria.

4.1.8 The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities as well as on any other matter that should be brought to the Board's attention and provide recommendations of the Committee that require the Board's approval at the Board meeting.

4.1.9 The remuneration and incentives for Independent Directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed.

4.1.10 Executive Directors should abstain from all discussions and deliberations to decide on their remuneration. Directors who are controlling shareholders and controlling shareholders with a nominee or connected director on the Board should also abstain from voting on the resolution to approve Directors' fees at the general meeting.

4.2 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 within seven (7) days prior to the date of the meeting.

4.3 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.

5.0 SECRETARY OF THE COMMITTEE

5.1 The Secretary shall have the following responsibilities:

5.1.1. ensure all meetings are arranged and held accordingly;

5.1.2. draw up meeting agenda in consultation with the Chairman and Group Managing Director circulate the agenda together with the relevant papers within seven (7) days prior to each meeting to enable full and proper consideration be given to issues;

5.1.3. prepare the minutes of the RC meetings and record the conclusions of the RC in discharging its duties and responsibilities;
5.1.4. ensure the minutes are circulating to all members of the RC and make the same available to Board members who are not members of the RC; and
5.1.5. ensure that the minutes of the RC meetings are properly produced and kept at the registered office of the Company. The minutes shall be open for inspection by the Board. Any request by Management or other persons to inspect the minutes shall be subjected to the approval of the RC for inspection if required.

6.0 GENERAL

6.1 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.

6.2 The 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.

6.3 The Terms of Reference may from time to time be amended or as and when required, subject to the approval of the Board.

7.0 REVISION OF THE TERMS OF REFERENCE

7.1 Any revision or amendment to the Terms of Reference, as proposed by the RC or any third party, shall first to be presented to the Board for its approval.
7.2 Upon the Board’s approval, the said revision or amendment shall form part of this Terms of Reference and the Terms of Reference shall be considered duly revised or amended.

The Terms of Reference of Remuneration Committee has been approved and adopted by the Board on 28 August 2026.