



**ELSOFT RESEARCH BERHAD (617504-K)
(Incorporated in Malaysia)**

**REMUNERATION COMMITTEE'S
TERMS OF REFERENCE**

APPOINTMENT/COMPOSITION

- 1.1 The members of the Committee shall be appointed by the Board.
- 1.2 The Remuneration Committee shall consist of not less than three (3) members, composed wholly or mainly of Non-Executive Directors.
- 1.3 The Chairman of the Committee shall be appointed by the members of the Committee among their number.

MEETINGS

- 2.1 The Remuneration Committee shall meet at least once a year.
- 2.2 The Remuneration Committee shall meet to carry out the duties and responsibilities in item four (4) as stated below. The quorum for a meeting shall be two (2) members both of whom shall be Non-Executive Directors.
- 2.3 Meeting will be attended by the members of the Committee and the Company Secretary or the representative of the Secretary shall act as the secretary of the Remuneration Committee.

AUTHORITY

- 3.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It shall be provided with the resources to perform its duties and full and unrestricted access to information pertaining to the Company and the Group.
- 3.2 The Committee shall also have the right to consult independent experts where they consider it necessary to carry out their duties.

FUNCTIONS AND RESPONSIBILITIES

- 4.1 The functions and responsibilities of the Remuneration Committee shall include the following:-
- (a) to recommend to the Board the remuneration package of executive directors in all its form, drawing from outside advice, if necessary.
 - (b) to recommend to the Board the remuneration of Non-Executive Directors which shall be a decision of the Board as a whole, save and except where the remuneration is in respect of any member or members of this Committee.

Executive Directors should play no part in decisions on their own remuneration. The determination of remuneration packages of Non-Executive Directors, including Non-Executive Chairman should be a matter for the Board as a whole.

MINUTES

- 5.1 The Secretary shall maintain minutes of the proceedings of the meetings.