



**Panasonic Manufacturing Malaysia Berhad (6100-K)**  
(Incorporated in Malaysia)

**TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

**1. Composition**

The Remuneration Committee shall be appointed by the Board from amongst the Directors of the Company consisting majority of Non-Executive Directors. It shall consist of not less than three (3) members.

Membership of the Remuneration Committee shall be disclosed in the Annual Report.

**2. Quorum**

Two (2) members shall form a quorum for Meetings.

**3. Chairman**

The members of the Remuneration Committee shall elect a Chairman from amongst their members who shall be an Independent Non-Executive Director. In the absence of the Chairman of the Remuneration Committee, the remaining members present shall elect one (1) of their members as Chairman of the meeting.

**4. Secretary**

The Secretary to the Remuneration Committee shall be the Company Secretary.

**5. Conduct of Meetings and Minutes**

- (a) The Remuneration Committee shall meet at least once a year or at such other times as the Chairman of the Remuneration Committee may deem necessary.
- (b) Minutes of each Meeting shall be distributed to each Member of the Board.
- (c) Question arising shall be decided by a majority of votes and determination by a majority of members shall for all purposes be deemed a determination of the Remuneration Committee.

- (d) In the case of an equality of votes, the Chairman of the Meeting shall have a second or casting vote provided that where two (2) members form a quorum, the Chairman of the Meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue, shall not have a casting vote.
- (e) A resolution in writing signed by all the members for the time being in Malaysia shall be as effective as resolution passed at a meeting of the Remuneration Committee duly convened and held, and may consist of several documents in the like form, each signed by one (1) or more of the members.

## **6. Duties & Responsibilities**

- (a) To recommend to the Board the framework of Executive Directors' remuneration so as to link rewards to corporate and individual performance of the Executive Directors and the remuneration package for each Executive Director, drawing from outside advice as necessary.
- (b) To recommend to the Board the framework of Non-Executive Directors' remuneration so as to link the level of remuneration to the experience and level of responsibilities undertaken by the non-executive directors concerned.
- (c) To recommend to the Board any performance-related pay schemes for Executive Directors.
- (d) To review the Executive Directors' scope of service contracts.
- (e) To consider the appointment of the service of such advisers or consultants as it deems necessary to fulfil its functions.

## **7. Reporting Procedures**

- (a) The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendation of the Remuneration Committee.
- (b) The Executive Directors or Non-Executive Directors do not participate in discussion on their own remuneration.
- (c) The determination of remuneration packages of Non-Executive Directors, including Non-Executive Chairman should be a matter for the Board as a whole.
- (d) Level of remuneration should be sufficient to attract and retain the Directors needed to run the Company successfully. The component parts of remuneration should be structured so as to link rewards to corporate and individual performance, in the case of executive Directors. The level of remuneration

should also reflect the experience and responsibilities undertaken by the particular Non-Executive Directors concerned.

## **8. Annual Review**

**The Terms of Reference of the Remuneration Committee will be reviewed by the Board annually in November or as required.**

*Last revised on 29 November 2016.*