TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

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1. OBJECTIVE

The primary objective of the Remuneration Committee ("RC") is to assist the Board of Directors ("Board") of SL Innovation Capital Berhad ("Company"):

(I) to establish a formal and transparent procedure for the development of a remuneration policy and remuneration structure including reviewing and recommending matters relating to the remuneration, fee and other benefits for the Board and the key senior management of the Company and its subsidiaries ("Group") .

(II) to ensure that all Directors and 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 and is appropriate in light of the Company's performance.

2. COMPOSITION

The members of the RC shall be appointed by the Board from amongst the directors of the Company ("Directors") and shall consist of at least three (3) members, comprising exclusively Non-Executive Directors, the majority of whom shall be Independent Directors and who shall not be the Chairman of the Board.

The Chairman of the RC shall be elected from amongst the RC members.

The Chairman of the Board shall not be a member of the RC.

No alternate director shall be appointed as a member of the RC. The term of office and performance of the RC and each of its members shall be reviewed by the Nomination Committee annually to determine whether the members have carried out their duties in accordance with their terms of reference.

If a member of the RC resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

3. AUTHORITY

a) The RC shall have the authority to deliberate, and approve on matters within its primary duties and responsibilities as set out in this Terms of Reference; and

b) Unless otherwise provided by or subject to any applicable laws or legislative requirements, the RC shall have the permission to obtain resources need to fulfil its duties and responsibilities as set out in this Terms of Reference based on an agreed-upon procedure and at the expense of the Group, such as:

i. full and unrestricted access to information, records, properties and employees of the Group;

ii. the advice and support of the Company Secretary and the key senior management of the Group; and

iii. to obtain professional and independent advice from external advisors with relevant knowledge and experience, as and when necessary for the performance of its duties pursuant to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

4. DUTIES AND RESPONSIBILITIES

The RC shall be responsible for the following duties and responsibilities:

a) To review and recommend to the Board the framework of remuneration of the Board and the key senior management of the Group (if any), taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar jobs in selected group of comparable companies. The framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefit-in-kind;

b) To review and determine the Directors' allowance, performance bonus, and short term/long term incentives (including share grant and bonus) for the Board (if any);

c) To review and determine the annual salary increment, performance bonus, and short term/long term incentives (including share grant and bonus) for Executive Directors, Principal Officers and/or the key senior management (if any) depending on various performance measurements of the Group;

d) To review and determine the other benefits in kind including but not limited to salary, bonuses, allowances, other emoluments for the Board and/or the key senior management (if any);

e) To ensure the remuneration policies and practices appropriately reflect the different roles and responsibilities of Executive Directors, Non-Executive Directors and key senior management;

f) To review and make recommendations to the Board in respect of fees and benefits payable to the Non-Executive Directors; fees and any non-contractual benefits payable to the Executive Directors (if any), and any compensation for loss of employment of an Executive Director or former Directors of the Group (if any) shall be approved at the General Meeting pursuant to Section 230(1) of the Companies Act, 2016 and Listing Requirements;

g) To ensure the remuneration and incentives for Independent Directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed;

h) To review the Group's compensation policy and ensure alignment of compensation to corporate performance, and compensation offered in line with market practice;

i) To recommend the engagement of external professional advisors to assist and/or advise the RC and the Board, on remuneration matters, where necessary; and

j) To provide a report summarising its activities for the year in compliance with the Malaysian Code on Corporate Governance, Listing Requirements and any relevant regulations.

5. MEETINGS OF THE RC

The RC shall meet at least once a year and as and when required.

In the event the elected Chairman of the RC is not able to attend a meeting, a member of the RC shall be nominated as Chairman for the meeting.

Reasonable notice of RC meetings shall be given in writing sent through the 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 RC may waive such requirement.

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 participates 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.

Subject to the notice and quorum requirements as provided in this Terms of Reference, meeting of the RC may be held and conducted through the telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

6. QUORUM

The quorum for a meeting of the RC shall consist of two (2) members. In the absence of the Chairman of the RC, the members present shall elect a Chairman for the meeting from amongst the members present.

7. NOTICE OF MEETINGS

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the RC, any other person required to attend and all other Non-Executive Directors, no later than seven (7) days before the date of the meeting. Supporting papers shall be sent to RC members and to other attendees as appropriate, at the same time.

8. SECRETARY AND MINUTES

The Company Secretary or his/her nominees or such other persons authorised by the Board shall act as the Secretary of the RC. The Company Secretary shall record, prepare and circulate the minutes of the meetings of the RC and ensure that the minutes are properly kept and produced for inspection if required.

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.

9. CIRCULAR RESOLUTION

A resolution in writing, signed or approved by letter, telegram, telex, telefax or electronic means by a majority of the RC members present in Malaysia for the time being entitled to receive notice of a meeting of the RC, shall be as valid and effectual as if it had been passed at a meeting of the RC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more of the members of the RC.

10. REVISION AND UPDATES

Where necessary, this Terms of Reference will be reviewed and updated to ensure it remains consistent with the RC’s objectives and responsibilities.

END.

-Adopted on 31 July 2024-