



IMPIANA HOTELS BERHAD

(REGISTRATION No.200601021085 (740838-A))

TERMS OF REFERENCE (“TOR”) OF THE REMUNERATION COMMITTEE

CONSTITUTION

The Remuneration Committee was set up on 23 October 2007.

1. MEMBERSHIP

The Remuneration Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of at least two (2) members of whom the majority shall be Independent.

2. QUORUM

A quorum shall consist of two (2) members.

3. CHAIRMAN

The members of the Remuneration Committee shall elect a Chairman from among their number who shall be a Non-Executive Director.

4. SECRETARY

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

5. MEETINGS

5.1 Meeting shall be held at least once a year. Additional meetings may be called at any time at the discretion of the Chairman of the Remuneration Committee.

5.2 The Remuneration Committee may invite any other Directors, management and staff to be in attendance during meetings to assist in its deliberation.

5.3 Meetings of the Remuneration Committee shall be governed by the provisions of the Company's Constitution relating to Board meetings except in so far as the same are not amended in these terms of reference.

5.4 Minutes of each Remuneration Committee shall be kept and distributed to all Remuneration Committee members. The minutes of the Remuneration Committee meeting shall be presented at the Board meeting and the Chairman of the Remuneration Committee shall report on each Remuneration Committee meeting to the Board.

6. DUTIES AND RESPONSIBILITIES

The Remuneration Committee is responsible for:

- a) Recommending a framework of remuneration for Directors and key senior management officers for the Board's approval. There should be a balance in determining the remuneration package, which should be sufficient to attract and retain Directors of calibre, and yet not excessive. The framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and other benefits payable.
- b) Recommending specific remuneration packages for Executive Directors. The remuneration package should be structured such that it is competitive. Salary scales drawn up should be within the scope of the general business policy and not be dependant on short-term performance to avoid incentives for excessive risk-taking. As for Non-Executive Directors and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board.
- c) To ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of Executive Directors, management and staff.
- d) To perform any other functions as defined by the Board.

7. AUTHORITY

- a) The Remuneration Committee is authorised by the Board to act within its terms of reference, to obtain the resources which it requires including but not limited to obtaining advice from expert advisers, both internal and external, and to have full and unrestricted access to information to enable the Remuneration Committee to fulfill its objectives.
- b) Each and every member of the Remuneration Committee shall be vested with such power and authority, specific or general, as may from time to time be decided upon by the Board.

- *END OF DOCUMENTS* -

