



DAYA MATERIALS BERHAD (636357-W)

TERMS OF REFERENCE REMUNERATION COMMITTEE

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1.0 COMPOSITION

- 1.1 The Remuneration Committee comprises Non-Executive Directors and a majority of the Committee members are appointed from amongst the Independent Non-Executive Directors.

2.0 QUORUM

- 2.1 Two (2) members shall form a quorum for meetings.

3.0 CHAIRMAN

- 3.1 The members of the Committee shall elect a Chairman from among their members who shall be a Independent Non-Executive Director. In the absence of the Chairman of the Remuneration Committee, the remaining members present shall elect one of their members as Chairman of the Meeting.

4.0 SECRETARY

- 4.1 The Secretary to the Nomination Committee shall be the Company Secretary.

5.0 MEETING AND MINUTES

- 5.1 The Remuneration Committee shall meet at least once a year or at such other times as the Chairman of the Committee deemed necessary.
- 5.2 Minutes of each meeting shall be distributed to each member of the Board.
- 5.3 Questions 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.
- 5.4 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.

6.0 FUNCTIONS

- 6.1 To review and recommend to the Board the framework of Executive Directors' remuneration and the remuneration package for each Executive Director, drawing from outside advice as necessary;
- 6.2 To review and recommend to the Board on the remuneration of Non-Executive Directors, particularly on whether the remuneration remains appropriate to each Director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken;
- 6.3 To review and recommend to the Board on the total individual remuneration package for Executive Directors and Senior Management personnel including, where appropriate, bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance;

- 6.4 To consider the appointment of the service of such advisers or consultants as it deems necessary to fulfill its functions;
- 6.5 To oversee the qualitative and quantitative disclosures of remuneration made in the annual report and notice to general meeting; and
- 6.6 To provide clarification to shareholders during general meetings on matters pertaining to remuneration of directors and senior management as well as the overall remuneration framework of the Company.

7.0 REPORTING PROCEDURES

- 7.1 The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendation of the Committee.
- 7.2 Executive Directors do not participate in discussion on their own remuneration.
- 7.3 The determination of remuneration packages of Non-Executive 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 reflect the experience and responsibilities undertaken by the particular Non-Executive concerned.
- 7.4 Memberships of the Remuneration Committee should appear in the Annual Report.

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