



REMUNERATION COMMITTEE - TERMS OF REFERENCE

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The Revised Terms of Reference of the Committee was adopted by the Board on 13 February 2025.

1. Objectives

The primary objective of the Committee shall be to make appropriate recommendations to the Board of Directors of the Bank, *inter alia*, on the remuneration philosophy and architecture, the workforce remuneration and related policies, the alignment of incentives and rewards with culture, set the target for performance related pay, the remuneration of the Chairperson of the Board, members of the Board and its Committees, the CEO, Senior Officers and the CEO's direct reports and other key personnel. The Committee may make such other recommendations as may be required in relation to remuneration in general.

2. Membership/Composition

- 2.1. The Committee shall comprise of between three and five members.
- 2.2. The Chairperson of the Board shall not be a member of the Committee.
- 2.3. Executive directors shall be not appointed as member of the Committee.
- 2.4. The members shall be non-executive directors preferably a majority of independent directors.
- 2.5. Members of the Committee shall be appointed by the Board of Directors upon recommendation of the CGC.
- 2.6. The Board may at any time remove member/s from the Committee and fill any vacancy/ies created by such removal.
- 2.7. Only members of the Committee shall have the right to attend Committee meetings. However, other individuals such as the CEO, CFO and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 2.8. The Chairperson shall be an independent non-executive director. In the absence of the Committee Chairperson, the remaining members present shall elect one of themselves to chair the meeting.

3. Secretary

The Company Secretary shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4. Quorum

The quorum for any Committee meeting shall be a majority of members appointed.

5. Meetings

- 5.1. The Committee shall meet at least twice a year and otherwise as required.
- 5.2. Meetings of the Committee shall be convened by the Secretary of the Committee, on his absence by his Deputy or any authorised officer, at the request of the Chairperson or by any member.
- 5.3. The notice of each meeting of the Committee confirming the venue, time and date and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the Committee by such means as elected by the members not less than four (4) working days prior to the date of the meeting. In case of urgent matters, a prior notice of not less than two (2) business days shall be given. The requirements provided above may be varied subject to the written consent of all members.
- 5.4. Deliberations in writing, signed or assented to by all members then entitled to receive notice of a meeting of the Committee, is as valid and effective as if it had been passed at a meeting of the Committee duly convened and held.

5.5. The Chairperson of the Committee shall attend the annual general meeting of the Bank.

6. Minutes of Meetings

- 6.1. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2. Draft minutes of Committee meetings shall be circulated to all members of the Committee, within 15 business days of the Meeting.

7. Duties & Responsibilities

The duties of the Remuneration Committee shall:

- 7.1. Have responsibility for recommending to the Board of Directors the remuneration policy for all executive directors, directors, Company Secretary, Executives and the Chairperson of the Board, including pension rights and any compensation payments to be approved by the Board as per laws and regulations. The Board shall determine the remuneration of the non-executive directors. No director, Executive or senior manager shall be involved in any decisions as to their own remuneration.
- 7.2. Recommend and monitor the level and structure of remuneration for senior management.
- 7.3. Take into account all factors which it deems necessary including relevant legal and regulatory requirements, the principles of the Code and associated guidance.
- 7.4. Review the on-going appropriateness and relevance of the remuneration policy.
- 7.5. Within the terms of the agreed policy and in consultation with the CEO, as appropriate, recommend to the Board of Directors the total individual compensation package of each executive director, the Board Chairperson, Company Secretary and other designated senior executives including bonuses, pension, incentive payments, allowances and share options or other share awards.
- 7.6. Oversee any major changes in employee benefits structures throughout the Bank.
- 7.7. Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 7.8. Work and liaise as necessary with other Board committees.
- 7.9. Agree the policy for authorising claims for expenses from the directors.
- 7.10. Recommend to the Board the design of, and determine targets for, any performance-related pay schemes operated by the Bank and the total annual payments made under such schemes.
- 7.11. Annual review of bonuses and salaries adjustments.

8. Reporting Responsibilities

- 8.1. The Chairperson shall report to the Board on its deliberations after each meeting on all significant matters within its duties and responsibilities.
- 8.2. The committee shall make relevant recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9. Other matters

- 9.1. The Committee is authorised to seek any information from any officer or employee all of whom are directed to co-operate with any request made by the Committee.
- 9.2. The Committee shall have access to outside or other independent professional advice as it considers necessary to carry out its duties at the Bank's expense within any reasonable budgetary guidelines as indicated by the Board.
- 9.3. Regular training should be provided to the members for continuous development. The Committee may decide on the focus areas.
- 9.4. The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Bank's secretariat for assistance as required.
- 9.5. The Committee shall give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors and executives.
- 9.6. The Committee shall arrange for periodic reviews of its own performance and review its terms of reference on an annual basis to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.