



TERMS OF REFERENCE

REMUNERATION COMMITTEE

Document Authorization

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TOR Custodian	Company Secretary

Document Approval Record

Version	BOD Approval Date	Description of Changes
1.0	14 March, 2023	New Charter
1.1	03 July, 2024	<ul style="list-style-type: none">- Removed the word ‘Nomination’ and responsibilities related to nomination.- Included that the minutes should be signed and filed within the Company’s official records under 4.4- Included few more responsibilities.
1.2	09 October, 2024	The modifications outlined in the PCB’s letter number 454/ASND/2024/7.
1.3	January 28, 2026	Renamed to Terms of Reference to align with CG Code



Terms of Reference: Remuneration Committee

1. Objectives

The Terms of Reference aim to regulate the Remuneration Committee's function through determining its obligations and authorities, applied by the committee while assisting the Board in fulfilling its responsibilities with respect to;

1.1 Remuneration matters, including:

- a) Aligning Aasandha Company Limited's remuneration policies.
- b) Recommendations and decisions (as relevant) on remuneration.
- c) Strategic human resources policies.
- d) Succession planning.
- e) Endorsement of Senior Executive appointments.

2. Scope

The Terms of Reference have been approved by the Board of Directors of Aasandha Company Limited.

3. Membership

3.1 Structure

- a) The Remuneration Committee shall be appointed by the Board among the non-executive Directors of the Company.
- b) The Committee is to consist of at least three members.

3.2 Term

- a) Committee Members will be appointed for a term of 3 years, and it can be reviewed earlier if circumstances determine.
- b) The members shall be appointed and dismissed by the Board of Directors.
- c) If any director is dismissed from the Board, he/ she will also be dismissed from the Committee as well.



- d) Members of the committee shall be re-appointed at the end of each term of the Committee. The Chairperson of the Committee may also be changed when members are re-appointed.

4. Meetings

4.1 Convening Meetings

- a) The Committee Chair, in consultation with Committee members, shall establish the schedule and frequency of Committee meetings, with a minimum requirement of four (4) meetings annually.
- b) Committee meeting shall be scheduled as requested by the Committee Chairperson or requested by the Managing Director.
- c) If the decision-making based on consensus agreement fails, the Committee shall adopt voting based.
- d) If the decision-making by voting-based occurs tie vote, then the Chairperson of the meeting shall cast the deciding vote.
- e) Whenever an opposing opinion occurs during the decision-making process, the dissenting opinion shall be stated in the Minutes of the Meeting and the reasons for such dissent.
- f) Notice of each meeting shall be communicated to all the committee members, no later than two working days before the date of the meeting. However, the Committee may conduct special meetings to discuss urgent issues without notice.

4.2 Quorum

For all convened meetings of the Committee, a quorum shall be deemed established and sufficient when a majority of the Committee members are present.

4.3 Attendance at Meetings

- a) Directors who are not Committee Members may attend meetings at the invitation of the Chairperson.



- b) The management or any external adviser are to attend such a portion of each meeting as requested by the Committee Chairperson.
- c) The Company Secretary is to attend Committee meetings to ensure minutes are taken of each meeting.

4.4 Minutes

The Committee shall maintain written documentation of its meetings. Minutes of each Committee meeting shall be distributed to each Committee member within five working days. Minutes shall be approved in the next meeting of the Committee, and they should be signed and filed within the Company's official records.

5. Reporting

- a) The Remuneration Committee shall update the Board on its meetings.
- b) The Committee will provide necessary recommendations regarding human resources and remuneration issues.
- c) Recommendations of the Committee are to be presented to the Board for approval.
- d) The committee shall be responsible for matters related to remuneration determined by the Board or identified in the Corporate Governance Code and any applicable law.
- e) The Company Secretary shall send the minutes of the meetings of the Committee to all members of the Committee for comments before being signed by the members.
- f) The Committee shall make any report that is requested by the Board or required by law.
- g) The activities of the Committee shall be formally reported to the Board on a quarterly basis.

6. Chairperson

The Board will appoint an independent Director as the Chairperson of the Committee.



7. Roles and Responsibilities

- a) Recommending suitable policies and standards to the Board for the appointment of Executives and identifying the required capabilities and skills.
- b) Proposing the job description of Managing Director and Deputy Managing Director for Board approval.
- c) Reviewing such policies and standards regularly to ensure their consistency with changes in the Company's strategic objectives and the required skills and qualifications to achieve them.
- d) Reviewing the Company's organizational structure and providing recommendations on possible changes.
- e) Verify annually the independence of independent members and verify that there is no conflict of interest if the member is on the board of another company.
- f) Developing a process for evaluating the performance of the Board, its committees, and directors.
- g) Developing a succession plan for the Board/ Committees and regularly reviewing the plan.
- h) Identify weaknesses and strengths in the Board and propose solutions to address them in line with the company's interests.
- i) Providing recommendations to the Board with respect to compensation plans.
- j) Recommending remuneration strategies and guidelines to the Board.
- k) Assisting the Board in fulfilling its responsibilities in respect of establishing an appropriate salary structure and policies including incentive policies.
- l) Assessing the market to ensure that senior executives are being rewarded commensurate with their responsibilities.
- m) Obtaining optimal counsel regarding the establishment and revision of remuneration structures.
- n) Evaluating and approving the introduction of new compensation elements, should the organization deem it appropriate.
- o) Conducting a review and oversight of the process of performance evaluation of the



employees and providing recommendations to the Board.

- p) Reviewing the policies related to employees and presenting corresponding recommendations to the Board.
- q) Investigating any matters pertaining to grievances that remain unresolved within the confines of the Company's internal policy, or for any other circumstances deemed necessary.

7.1 Others

- a) Overseeing the company's conformity to applicable legal and regulatory requirements associated with remuneration matters.
- b) Informing the Board regarding the changes in the legal and regulatory framework in relation to remuneration.
- c) The committee may conduct or authorize studies of matters within the committee's scope of responsibility with full access to all books, records, facilities and personnel of the Company.
- d) After informing the Chairman and the Managing Director, within the scope and responsibilities of the Committee, the committee shall have the ability to (i) seek advice of the entity's auditors or lawyer, (ii) engage and consult independent experts where necessary to carry out its duties, (iii) commission and consult external reports and other documents. The committee shall also have the ability to to conduct any special investigation, after notifying to the Chairman of the Board and the Managing Director, unless it is a matter of the Managing Director.
- e) Check the availability of professional development opportunities and training for the Board members and specialist training for members of Board committees or individual Board Members, to enable Board Members to regularly update and refresh their skills and knowledge.
- f) Reviewing the status of the key performance indicators of the sections quarterly and providing recommendations to the Board on any proposed changes.
- g) Reviewing the remuneration report as part of the corporate governance section for the Annual Report.



- h) Reviewing training and recreational activities of the company semiannually.
- i) The Committee is not responsible for supervising the performance of executives and must not become involved in day-to-day operations, management functions or decision making.

8. Authority

- a) The Committee has the authority, given by the Board, to investigate any activity within its Terms of Reference.
- b) The Committee is obliged to make recommendations to the Board on all matters within the Committee's Terms of Reference.
- c) The Committee discharges its responsibilities by making recommendations to the Board.
- d) The Committee does not have any executive power to commit the Board or Management to the implementation of recommendations unless approved by the Board.

9. Review

- a) Any changes to these Terms of Reference shall be submitted and approved by the Board of Directors.
- b) The Terms of Reference shall be reviewed at least once every three years and recommend any changes necessary for the board's approval.

