

DATAPULSE TECHNOLOGY LIMITED

REMUNERATION COMMITTEE

TERMS OF REFERENCE

1. Establishment

Pursuant to the Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018 (the "**Code**"), the Remuneration Committee ("**Committee**") is established by the Board of Directors of the Company ("**Board**") in accordance with the terms of reference approved by the Board.

2. Objectives

- 2.1 The primary objective of the Committee is to make recommendations to the Board on the Group's framework of executive remuneration, to review and recommend to the Board on the adequacy and form of compensation of the directors and key executives of the Group to ensure that the compensation realistically commensurate with the responsibilities and performance of the individuals and the Group, to review the fees for non-executive directors before submitting to the Board for approval, to review and recommend to the Board the talent management and remuneration framework for the company, including staff development and succession planning, and to review and recommend to the Board the engagement of stakeholders with respect to remuneration matters.

3. Composition and Constitution

- 3.1 The Committee should comprise at least three (3) directors, the majority of whom shall be non-executive directors and the Chairman should be independent.

Note: The Code requires the RC to comprise entirely of non-executive directors. However, the RC is of the view that the participation of executive directors would help provide meaningful feedback in the setting of the Group's overall compensation packages due to their in-depth understanding of the Group's human resource capital. The independence of the RC would not be compromised with the involvement of the executive directors as the majority of the RC members, including the Chairman of the RC, would be independent directors.

- 3.2 The Committee shall appoint one of its members, who is an independent director, to chair the Committee.
- 3.3 A member who wishes to retire or resign from the Committee shall provide sufficient notice to the Board so that a replacement may be appointed before he leaves.
- 3.4 In the event of a vacancy resulting in the number of members falling below the minimum of three (3), the Company shall endeavour to fill the vacancy within two (2) months, but in any case not later than three (3) months. Any newly appointed member shall hold office for the remainder of the term of office of the member in whose place he is appointed.

4. Duties and Powers

- 4.1 Review and recommend the policies relating to the employment terms and remuneration of executive directors and key executives of the Company. Where deemed appropriate, the Committee should take into account all relevant legal and regulatory requirements, including the principles and provisions of the Code, the Company's risk appetite and ensure that the policies are aligned to long-term goals of the Company.
- 4.2 Review and recommend a structure for executive directors and key executives' remuneration so as to link rewards to group or corporate and individual performance. The performance related elements of remuneration shall form a proportion of the total remuneration package of executive directors and key executives and shall be designed to align their interests with those of shareholders and to give these directors and key executives keen incentives to perform at the highest levels.
- 4.3 Review and recommend on the positioning of the Company relative to other companies or its competitors in relation to remuneration policy. The Committee shall be aware of what comparable companies are paying to their executives as well as directors and shall take into account the Company's relative performance. However, it shall use such comparisons with caution, in view of the risk of ratcheting remuneration levels upwards with no corresponding improvement in performance.
- 4.4 Review and recommend to the Board the terms of renewal for those executive directors whose current employment contracts will expire or had expired. The Committee should ensure that the contractual terms and any termination payments in such employment contracts are fair to the individual and the Company.
- 4.5 Make recommendations to the Board on the Company's framework of executive remuneration.
- 4.6 Review and recommend the level of fees and award of any other forms of compensation to non-executive directors and to ensure, as far as is possible, that the quantum commensurate with the non-executive directors' contributions to the Board and the Company, taking into account factors such as effort and time spent, and responsibilities of the directors.
- 4.7 Recommend to the Board any appropriate extensions or changes in the duties and powers of the Committee.
- 4.8 Retain, at the Company's expense, such legal or other professional consultant firm as the Committee may deem necessary to enable it to discharge its duties hereunder satisfactorily.
- 4.9 If deemed necessary, obtain information from Management, the Company Secretary or any employee of the Company.
- 4.10 Obtain reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks through the appointment of external consultants. Such information can also be obtained by commissioning or purchasing any appropriate reports, surveys or information. These will be at the expense of the company, subject to the budgetary constraints imposed by the Board.
- 4.11 If deemed appropriate, oversee any major changes in employee benefits or remuneration structures.
- 4.12 Carry out such other duties as may be agreed to by the Committee and the Board.

4.13 All recommendations of the Committee shall be made unanimously and thereafter put to the Board for approval. In the event that there is no unanimity over any issue, all conflicting views shall be submitted to the Board for its final decision.

4.14 No director shall participate in any decision relating to himself or herself.

5. Meetings

5.1 The Committee shall hold at least one meeting in each financial year. The meeting shall be held for the following purposes:

5.1.1. to carry out its duties under Clause 4 of these terms of reference; and

5.1.2. for any other matter decided by the Committee or the Board.

The Chairman of the Committee may, where he thinks fit, call for additional meetings.

5.2 The Chairman of the Committee shall chair all meetings. If no such Chairman is appointed or if the Chairman is not present within 10 minutes after the time appointed for holding any meeting, the members present may choose one of the independent directors to be Chairman of the meeting.

5.3 The Chairman or in his absence, a member of the Committee, should be present and available to address questions at shareholders' general meetings.

5.4 The Secretary of the Company shall be Secretary of the Committee. If the Secretary is not present, the Committee may choose any person to be Secretary of the meeting.

5.5 Any minutes signed by the Chairman of the meeting to which they relate or of the meeting at which they are read shall be sufficient evidence without any further proof of the facts stated therein.

5.6 Minutes of each Committee meeting shall be circulated to the Board.

5.7 Minutes of the meetings shall be safe-kept at the registered office of the Company.

5.8 Unless otherwise agreed, the notice and agenda for each meeting shall be circulated before each meeting to the Committee members and those who are required to be in attendance. The notice must be sent to the relevant persons at least one week before the meeting.

5.9 Each member is expected to attend every meeting either in person, by teleconference, video conference, or any other form of audio or audio-visual communication.

5.10 The quorum for each meeting shall be a majority of the members, with the majority of the quorum being independent directors.

5.11 The Committee may invite any director and executive officer of the Company to attend its meetings.

5.12 The Committee may regulate its own procedure and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceedings thereat.

- 5.13 In case of an equality of votes, the Chairman of the meeting has a second or casting vote.
- 5.14 A member of the Committee shall not participate in the deliberations of the Committee if he has an interest in the subject of the matter being deliberated.

6 Resolutions in Writing and Meetings by Conference Calls

- 6.1 A resolution in writing signed or approved via letter, email or facsimile by a majority of the Committee members shall be effective for all purposes as a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may be contained in a single document or may consist of several documents all in like form signed by one or more members.
- 6.2 A decision shall be considered made if the agreement / approval in writing is signed by a majority of the members entitled to participate in the decision.
- 6.3 The Committee may conduct its meeting by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means without a member being in physical presence of another members and participation in a meeting in such manner shall be deemed to constitute presence in person at such meeting. Minutes of such a meeting signed by the Chairman of the Committee shall be conclusive evidence of any resolution of any meeting conducted in the manner as aforesaid.

7 Reporting Requirements

- 7.1 The Chairman reports the decisions of the Committee to the Board by submitting minutes of Committee meetings to the Board, or by such other means as deemed appropriate.
- 7.2 The Committee helps the Board describe and disclose the following information in the company's annual report:
- 7.2.1 names of the members;
 - 7.2.2 the Committee's key terms of reference that explain its role and the authority delegated to it by the Board;
 - 7.2.3 the number of meetings held in the year, as well as the attendance of every member at these meetings;
 - 7.2.4 the remuneration and other payments and benefits of directors, the CEO and at least the top five key executives;
 - 7.2.5 the remuneration and other payments and benefits of any immediate family member of the directors or the CEO that exceeds S\$100,000;
 - 7.2.6 the details of employee share scheme; and
 - 7.2.7 the link between remuneration and performance.