



**ALTERN ENERGY LIMITED
TERMS OF REFERENCES OF THE HUMAN
RESOURCE
& REMUNERATION COMMITTEE**

1) INTRODUCTION:

The Human Resource & Remuneration Committee ("HR&RC"/ "the Committee") is established to assist the Board in carrying out its responsibilities with respect to salary and compensation, recruitment, training, retirement benefit plans and performance management, ensuring the implementation of appropriate human resource management strategies, policies and practices that are aligned with the organization's vision and mission.

The Committee shall also ensure identification, monitoring, and prudent management of the principal risks associated with human resource matters. The Board shall provide adequate resources and authority to enable the Committee to discharge its responsibilities effectively.

2) COMPOSITION:

- i. Minimum of three Board Members: The Board shall appoint at least three members of the Committee, ensuring a diverse range of skills and experience relevant to human resources.
- ii. Non-Executive and Independent Directors: The Committee shall comprise of majority of non-executive directors with at least one independent director.
- iii. Chair: The Chair of the Committee shall be appointed by the Board. The Chair shall generally direct the business of the Committee.
- iv. CEO Membership: The Chief Executive Officer (CEO) may be included as a member of the Committee but not as the Chair.
- v. Committee Secretary: The Head of Human Resource or any other person appointed by the Board can serve as the Secretary of the Committee.

3) COMMITTEE'S TERM:

The term of the Committee and its members shall be for a period of three (3) years, aligning with the Board's term. Any casual vacancy shall be filled by the Board.

4) QUORUM:

- a. At least two (2) members of HR&RC (which must include the Chair), constitute a quorum, either present in person or by teleconference or video conference.
- b. Decision Making: Decisions are made by 100% consensus of the attending members with a quorum present.
- c. Chair: If at any meeting the Chair is not present, the members present may choose one of them to be the Chair of the meeting.

5) COMMITTEE MEETINGS:

i. Meeting Schedule:

- a. The Committee shall meet at least once a year.
- b. Additional meetings can be called by a Board member, Committee itself, or the CEO.

ii. Meeting Attendance:

- a. Meetings shall be presided by the Chair.
- b. The CEO (if not a member of the Committee) or Head of HR (if not the Secretary of the Committee) or any other advisor or person shall attend the meeting.



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- c. In addition to the Committee members, the Chair can call any concerned manager or responsible person as and when required for explanation or clarification.
- d. Committee members shall not participate in the proceedings of the Committee on matters that directly relate to their performance and compensation.

iii. Minutes:

- a. The Committee Secretary shall prepare the minutes of meetings, clearly reflecting the decisions taken and action items, which shall preferably be circulated within two weeks of the date of the meeting.
- b. Minutes of the meeting shall be signed by the Chair of the Committee in the subsequent meeting after Committee's confirmation.
- c. Minutes of the meeting shall be kept in the minute book form or as an electronic record.
- d. Resolutions in writing shall be made and circulated and every member of the committee shall sign his name on a book or electronic record to be kept for that purpose.
- e. The Chair shall present its report on proceedings of the meeting to the Board.

6) KEY FUNCTIONS AND RESPONSIBILITIES:

Key responsibilities of the Committee shall include the following:

I. Strategic Human Resource Management:

- a. Recommend human resource management policies aligned with the company's strategy to the Board.
- b. Regularly review the organizational structure or restructuring plans for key executives, as required, in alignment with business needs.
- c. Annually review, approve, and monitor the annual strategic HR plan and for effective management, control and monitoring of human resources.
- d. Recommend HR budget to Board for approval.
- e. Recommend processes for selection, evaluation, development, and compensation (including retirement benefits) for senior management positions (e.g., Chief Operating Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit).
- f. Review and recommend succession plans and talent management strategies to the Board by identifying and developing leadership pipelines for CEO and senior management roles.
- g. Develop professional and ethical standards for the Code of Conduct and provide support to the Board regarding employee relations (e.g., unions, associations).
- h. Ensure HR policies foster ethical conduct, innovation, and employee engagement.
- i. Identify and assess HR-related risks and provide input to the Board.
- j. Ensure diversity, equity and inclusion (DE&I) practices (including related strategies, priorities and targets as well as performance against these targets) are inculcated in the workplace and in all Board committees and are periodically reviewed and monitored.

II. Compensation and Benefits:

- a. Recommend to the Board a compensation framework for directors and senior management and annually review and evaluate the compensation structure and policies to assess their effectiveness in providing appropriate incentives.
- b. Review remuneration and performance evaluation of CEO and key executives and recommend annual bonuses and increments.
- c. Oversee the CEO's recommendations for other employees' compensation.



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- d. Regularly evaluate the company's compensation plan to ensure its competitiveness and effectiveness in attracting and retaining talent.

III. Training and Development:

- a. Recommend training and development programs for Board members and employees based on need analysis, aligned with the company's strategy and growth requirement.
- b. Ensure early identification and development of key personnel. The Committee should ensure the development of a robust process for identifying and developing future leaders within the company.
- c. Review employee development plans to foster succession planning and anticipate senior management needs.
- d. Oversee appropriate orientation and ongoing development programs for directors.
- e. Ensure fair and equitable talent management practices are promoted in the company.

IV. Performance Management:

Oversee the process of annual performance evaluation of the Board as a whole, its committees, and individual members and identify areas for improvement. This can be done internally or through an external consultant.

V. Compliance:

- a. Review HR-related policies (recruitment, promotion, disciplinary actions).
- b. Ensure compliance with labor laws, regulatory requirements, and governance codes.
- c. Oversee alignment with ESG and sustainability goals in workforce practices.

VI. Consultants:

- a. Ensure proper due diligence for any HR consultants engaged by the company, whether they have any other connection with the company.
- b. If an external consultant is engaged, ensure disclosure of their qualifications and appointment details in the directors' report.

VII. Others:

Perform other duties and responsibilities as assigned by the Board from time to time.

7) AUTHORITY:

The Committee shall be empowered by the Board to:

- a. have unrestricted access to all information, documents and resources required to fulfill the duties and responsibilities.
- b. investigate any activity within its TORs. Employees shall be directed to extend full cooperation and facilitate the HR&RC in accomplishing its task.
- c. be authorized to reprimand or suggest disciplinary action against any employee for irregularities causing inefficiency or loss to the Company.



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8) COMMITTEE SECRETARY:

- a. Agenda and meetings: Drafting the agenda with the Chair's concurrence, distributing it to all members at least seven days before the meeting, and ensuring that agenda and working papers are available to members attending in person or electronically.
- b. Minutes and follow-up: Preparing and circulating the minutes prior to the next meeting and following up on outstanding matters and implementation of decisions.
- c. Records management: Maintaining all records, including agendas, minutes, meeting recordings, committee reports, electronic documents, and other relevant documents at the Company's head office/registered office.
- d. Document retention: Ensuring all records and documents are kept for a period of not less than ten years.

9) REPORTING:

- a. The Committee shall regularly report the activities and recommendations of HR&RC to the Board.
- b. This report should outline key initiatives, updates on action items, challenges encountered, and proposed solutions

10) PERFORMANCE EVALUATION:

The Committee shall annually review its performance and effectiveness and develop a criterion for such evaluation.

11) DISCLOSURE OF TERMS OF REFERENCE ON WEBSITE:

The Company may post brief synopsis of Terms of Reference (TORs) of the Committee on its website.

12) REVIEW AND REVISION:

- a. HR&RC shall review and recommend the adequacy of its TORs at least once in three years.
- b. Any proposed revisions to the TORs shall be submitted to the Board for approval.