



Chubb Insurance Malaysia Berhad
Registration No: 197001000564 (9827-A)

Terms of Reference
Board Remuneration Committee

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Terms of Reference of the Board Remuneration Committee

Introduction

- 1.1 The Board Remuneration Committee's ("**BRC**") primary function is to assist the Board in meeting its responsibilities for:-
- Recommending to the Board the Remuneration package of Directors and Senior Officers of the Company;
 - Providing a formal and transparent procedure for developing a Remuneration Policy for Directors, Country President and Senior Officers ;
 - Ensuring that compensation for Directors, Country President and Senior Officers is competitive and consistent with the Company's culture, objectives and strategy.

Interpretation

- 2.1 The following definitions shall apply for the purposes of this Terms of Reference:

"**Board**" refers to the Directors of the Company whose number is not less than the required quorum acting as a Board of Directors, as stipulated in the Constitution of the Company.

"**Country President**" refers to the Chief Executive Officer ("**CEO**") of the Company or by whatever name called.

"**Chairman**" refers to the Chairman of the Board and is used in a gender neutral sense.

"**Chubb**" or "**Company**" refers to Chubb Insurance Malaysia Berhad [Registration No: 197001000564 (9827-A)].

"**Company Secretary**" refers to the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary.

"**Constitution**" refers to the Constitution adopted by the Company as originally framed or as altered from time to time by way of passing a special resolution.

"**Director**" refers to a person who has been appointed and for the time being holds office as a Director of the Company by whatever name called in accordance with the provisions of the Companies Act 2016, Financial Services Act 2013 and the Constitution.

"**Executive Director**" refers to a Director of the Company who has management responsibilities in the Company or any of its affiliates.

"**Independent Director**" refers to the definition in accordance with Paragraph 1.01 of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), Practice Note 13 of the MMLR and Paragraph 11.7 of the Corporate Governance policy issued by Bank Negara Malaysia.

"**Remuneration**" includes salary and benefits of any kind.

"**Senior Management**" refers to the Country President / CEO and Senior Officers.

"**Senior Officers**" refers to a person performing a senior management function whose primary or significant responsibility is for the management and performance of significant business activities of the Company.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

Composition of the BRC

- 3.1 The BRC shall be appointed by the Board from among their numbers (pursuant to a resolution of the Board) which fulfils the following requirements:
- (a) Consist of a minimum of three (3) Directors;
 - (b) The members of the BRC including the Chairman must be Independent Directors;
 - (c) The Chairman of the Board shall not be a member of the BRC.
- 3.2 All members of the BRC should possess a blend of expertise and experience in areas such as compensation practices, human resources, and corporate strategy and are able to understand matters under the purview of the BRC including executive compensation decisions. All members of the BRC should undertake continuous professional development to keep themselves abreast of relevant developments in human resource standards, practices and rules.
- 3.3 The appointment of the BRC member terminates when the member ceases to be a Director, or as determined by the Board.

Chairman

- 4.1 The Chairman of the BRC shall be an Independent Director elected amongst the members of the BRC. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst themselves.

Quorum and Meeting Procedures

- 5.1 No business shall be transacted at any meeting of the BRC unless a quorum is present. The quorum of the BRC shall be at least two (2) members.
- 5.2 Only members of the BRC have the right to attend BRC meetings. However, other Directors and individuals such as the Country President, the head of human resources, members of Senior Management, consultants and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary to be determined by the BRC Chairman.
- 5.3 All meetings of the Board will be conducted in accordance with the Constitution of the Company and applicable laws / regulations.

Company Secretary

- 6.1 The Company Secretary or other appropriate Senior Officer shall act as secretary of the BRC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it within a reasonable period prior to the meeting supported by explanatory documentation to the BRC members prior to each meeting.

Duties and Responsibilities

- 7.1 The duties and responsibilities of the BRC shall include, but are not limited to the following:
- (a) Supporting the Board in actively overseeing the design and operation of the Company's Remuneration system as set out in its Remuneration Policy.
 - (b) Periodically reviewing the Remuneration of Directors on the Board, particularly on whether the Remuneration remains appropriate to each Director's contribution, taking into account the level of expertise, commitment and responsibilities undertaken. Remuneration of the Board shall be aligned with the business strategy and long-term objectives of the Company, and to reflect the Board's responsibilities, expertise and complexity of the Company's activities.
 - (c) Reviewing and recommending to the Board for approval, the entire individual Remuneration packages for each of the Directors and Senior Management to ensure the levels of Remuneration be sufficiently attractive and able to retain high calibre Directors and Senior Management to run the Company successfully. The determination of Remuneration packages of Directors should be a matter for the Board as a whole where the individual concerned shall abstain from discussion of their own Remuneration.
 - (d) Reviewing and recommending to the Board and thereafter to the shareholders at the Annual General Meeting ("AGM"), the fees of the Directors and any benefits payable to the Directors including any compensation for loss of employment of a Director or former Director of the Company.
 - (e) Reviewing any major changes in Remuneration Policy and employee benefit structures throughout the Company, and if thought fit, recommending them to the Board for adoption.
 - (f) Ensuring that Directors who are shareholders should abstain from voting at AGM to approve their fees.
 - (g) Consider and review Executive Directors' scope of service contracts, if any.
 - (h) Considering all other related matters as may be requested by the Board from time to time.

Authority

- 8.1 The BRC is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
- 8.2 The BRC is authorised to obtain, at the Company's expense, outside legal or professional advice including the advice of independent Remuneration consultants, to obtain reliable and updated information about Remuneration in the marketplace. The BRC shall have full authority to commission any reports or surveys which it deems necessary to help it fulfill its obligations.
- 8.3 The BRC shall have authority to assess or evaluate any matter within its Terms of Reference.
- 8.4 The BRC shall be able to make decision on matters which fall within the purpose and responsibilities of the BRC.

Disclosure

- 9.1 The BRC shall produce a report to be included in the Company's annual report about its activities, the membership of the BRC, number of BRC meetings, attendance of members over the course of the year, the application of the Company's Remuneration Policy in the Remuneration of the Board and Senior Management and recommending the Remuneration package of the Independent Directors for shareholders' approval at the AGM.

Minutes

- 10.1 The Minutes of meetings of the BRC shall be circulated to all members of the Board. The minutes shall be kept at the registered office of the Company under the custody of Company Secretary of the Company and shall be open for inspection by the Board. Any request by Senior Management or other persons to inspect the minutes shall be subject to the approval of the BRC.

Reporting Arrangements

- 11.1 The Chairman of the BRC shall report to the Board key deliberations of the BRC and its decisions on delegated matters on a regular basis.
- 11.2 The BRC shall make whatever recommendation to the Board it deems appropriate and in any area within its remit where action or improvement is needed.

AGM

- 12.1 The Chairman of the BRC should attend the AGM to answer any shareholder questions on the BRC's activities.

Periodic Review

- 13.1 This Terms of Reference shall be reviewed whenever necessary by the BRC. Any revision or amendment to this Terms of Reference, as proposed by the BRC or any third party, shall first be presented to the Board for its approval.

Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

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