

**TA ENTERPRISE BERHAD (194867-M)**  
**(INCORPORATED IN MALAYSIA)**

**TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

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**INTERPRETATION**

- (a) “The Company” means TA ENTERPRISE BERHAD
- (b) “The Board” means the Board of Directors of the Company
- (c) “The Group” means the Company and its subsidiary companies
- (d) “Directors” means the Executive Chairman, Managing Director, Executive Directors, Non-Executive Directors and Independent Directors of the Company and its subsidiary companies.
- (e) “Executive Director” means the Executive Director of the Company and its subsidiary companies who has been accorded executives powers to manage the affairs of his Company, makes decisions and enter into transactions on his company’s behalf.
- (f) “Non-Executive Director” means the Non-Executive Director and Independent Director of the Company and its subsidiary companies who do not hold any executive or management powers in their Company.
- (g) “The RC” means the Committee established by the Board as the Company’s Remuneration Committee.
- (h) “Member” mean persons appointed for the time being by the Board to perform the duties of a member of the Remuneration Committee.
- (i) “Nomination Committee” means the Committee established by the Board as the Company’s Nomination Committee entrusted with the role of nominating directors, assessing the effectiveness of the Board and the contribution of each individual Directors.

**OBJECTIVES**

- 1.1 To assist the Board in establishing a formal and transparent procedure for developing policy on execute remuneration and for fixing the remuneration packages of individual Directors.
- 1.2 To recommend to the Board the remuneration of the Executive Directors in all its forms, drawing from outside advice as necessary. Executive Directors should play no part in decisions on their own remuneration.

**MEMBERSHIP**

- 2.1 The RC shall be appointed by the Board pursuant to a Board Resolution.
- 2.2 Unless otherwise decided by the Board, the RC shall comprise of not less than two (2) members and more than five (5) members.

- 2.3 The Chairman and the RC nominated by the Board shall be appointed amongst the members. The Chairman of the RC shall be a Non-Executive Director of the Company.
- 2.4 The appointment of the members shall be nominated by the Nomination Committee of the Company and such appointment of the RC members shall be by the Board as a whole.
- 2.5 The Board shall officially notify all nominated RC members of their membership and a copy of the RC terms of reference shall be accordingly extended to the RC members to guide them in the discharge of their duties.
- 2.6 The members of the RC shall consist wholly or a majority of Non-Executive Directors.
- 2.7 Membership of the RC shall appear in the Company's Directors' Report.

### **AUTHORITY AND POWERS**

- 3.1 The RC is authorized and empowered by the Board to :-
- (a) Assess and review the remuneration packages of the Executive Directors including their fees and subsequently furnishes recommendation to the Board on specific adjustments in remuneration to commensurate with the respective contributions of the Directors. The remuneration for the Independent Non-Executive Directors shall be determined by the Board as a whole. Recommendation of the RC will be reported to the Board for their final decision.
  - (b) Recommend and establish the remuneration policy for all Executives Directors of the TA Group from time to time for the approval of the Board;
- 3.2 The RC has no authority to determine the remuneration packages of Non-Executive Directors, including the Non-Executive Chairman as such matters should be deliberated by the Board as a whole. Members of the RC should play no part in decisions on their own remuneration. The remuneration of all members of the RC shall be determined by the Board.
- 3.3 In establishing the relevant remuneration and compensation packages for the Executive Directors of the TA Group, the RC shall have the power to :-
- (a) Make relevant decisions on setting and formulating relevant policies and guidelines for the following :-
    - (i) Type of remuneration packages for the Executive Directors
    - (ii) Type of employment benefits for the Executive Directors;
    - (iii) The total amount of annual bonus payable to the Executive Directors;
  - (b) Review and determine the compensation policies and strategies for the TA Group;
  - (c) Consider the remuneration of the Executive Director and link the recommendation of rewards, benefits and compensation of the individual to corporate and individual performance to ensure that the Company attracts and retains the Executive Directors needed to run the Company successfully;
  - (d) Engage the services and assistance of independent professional consultants, advisors, auditors and/or agents to carry out such duties, investigations, market surveys and duties as may from time to time be deemed necessary by the RC to assist them to determine the appropriate remuneration and reward packages for the Company's Directors

### **MATTERS SPECIFICALLY FOR COLLECTIVE DECISION**

- 4.1 The RC shall be vested with such power and authority, specific or general, as may from time to time be decided upon and set by the Board.

- 4.2 All decision of the RC shall be based on the decision of majority and no single Member can make any decisions on behalf of the RC.

### **FUNCTIONS, DUTIES AND RESPONSIBILITIES**

- 5.1 The RC as empowered pursuant to Term 3.1 to 3.4 above shall, at all times, carry out and be responsible for the following functions and duties :-
- (a) To recommend to the Board the appropriate remuneration packages for the Executive Directors, including but not limited to the following :-
    - i. annual salary increment,
    - ii. annual bonus,
    - iii. employment benefits,
    - iv. rewards and compensation
    - v. profit sharing scheme
    - vi. Employee's Option Scheme
  - (b) To formulate policies, guidelines and set criterias for remuneration packages for the Executive Directors.
  - (c) To ensure that the Executive Directors are fairly and appropriately remunerated according to the general market sentiments or conditions;
  - (d) To ensure that all necessary action are taken expediently by the Board to offer appropriate rewards, benefits, compensation and remuneration to ensure that the Company attracts and retains the individual Directors needed to run the Company successfully; and
  - (e) To ensure that all remuneration packages and benefits given to the Directors are in compliance with all laws, rules, requirements, regulations and guidelines set by the relevant authorities and the Board from time to time.

### **INFORMATION & REPORTS**

- 6.1 The RC shall have unlimited access to all records, agreements, files, reports, correspondence and any other documents of whatsoever nature which contain information concerning the remuneration packages of the Directors to enable the RC to carry out their duties effectively.
- 6.2 For confidentiality and control purpose, the RC Members shall not individually approach any Officers of the TA Group directly to request for such document. Any request for such documents should be made by the RC as a whole through the respective Boards of the TA Group of companies.
- 6.3 It shall have the power to obtain independent legal or other professional advice on matters relating to the establishment of remuneration packages and compensation for the Directors and to secure the attendance of outsiders with relevant experience and expertise if it deems necessary.

### **RELATIONSHIP & LINE OF REPORTING**

- 7.1 The RC shall report directly to the Board of TAE.
- 7.2 The RC shall not have the delegated power from TAE Board and/or any of the Board of TA Group of companies to implement its recommendations, but shall be obliged to report its recommendations back to the Board of TAE and the respective Boards of TA Group of companies for their consideration and implementation.

- 7.3 The RC must exercise transparency and endeavor to seek the relevant Board's approval on all issuance of letter of employment, revision of terms of employment and payment of fees and benefits to the Directors of the TA Group from time to time.

**MEETINGS**

- 8.1 The RC shall hold meetings as and when the need arises or any such meetings as the Chairman so decide to fulfil its duties.
- 8.2 All RC meetings shall be attended by the Members and any other persons invited by the Chairman of the RC from time to time.
- 8.3 Any two (2) members of the RC present for each meeting shall constitute a quorum.
- 8.4 The Chairman of the RC shall preside as Chairman of all RC meetings. In the event when the Chairman of the RC is absent or is unable to preside at any RC meeting, all members present shall amongst themselves appoint any RC member who is a Non-Executive Director to preside at that meeting.
- 8.5 All decisions to be made at any RC meeting must be agreed by majority of those Members present at the RC meeting. Only Members of the RC shall have voting rights at the RC meeting. In the event of equality of votes, the Chairman of the RC shall have the casting vote.
- 8.6 Minutes of all RC meetings shall be recorded by any Member of the RC or such other persons as the Chairman of the RC shall so elect.
- 8.7 A resolution in writing, signed by all the Members shall be as valid and effectual as if it has been deliberated and decided upon at a meeting of the RC.

**MODIFICATION OF TERMS OF REFERENCE**

- 9.1 The Terms of Reference as are herein provided are determined by the Board and shall not be amended and/or modified by whosoever other than by the Board.

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