



## **TERMS OF REFERENCE FOR REMUNERATION COMMITTEE**

**As at 20 October 2022**

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**REVISION HISTORY LOG**

<b>Version No.</b>	<b>Section</b>	<b>Details of Amendments</b>	<b>Date of Approval by the Board</b>
1	All	Documents published	23 February 2021
2	3 & 5	Updated the marginal notes as per revised of MCCG and revised item 5(f)	20 October 2022

**GLOSSARY**

<b>Term</b>	<b>Description</b>
"RC" or "Committee"	Remuneration Committee
"Board"	The Company's Board of Directors
"Bursa Malaysia"	Bursa Malaysia Securities Berhad
"Company" or "Ta Win"	Ta Win Holdings Berhad
"MMLR"	Main Market Listing Requirements of Bursa Malaysia Securities Berhad
"MCCG"	Malaysian Code on Corporate Governance
"Secretary"	Company Secretary

## **1. APPLICABLE LAWS/ GUIDELINES**

Including but not limited to:-

- (a) Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- (b) Capital Markets and Services Act 2007 of Securities Commission;
- (c) Companies Act, 2016;
- (d) Revised Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia; and
- (f) the provisions of the Constitution of Ta Win Holdings Berhad.

## **2. OBJECTIVES/ PRINCIPLES**

The objectives/ principles of the RC are to:-

- (a) to assist the Board in their responsibilities in establishing a formal, transparent and independent procedures for developing a remuneration policy for the Non-Executive Director, Executive Directors, Managing Director/ Chief Executive Officer and Senior Management and ensuring that compensation is competitive and consistent with the Company's business strategy and long-term objectives.
- (b) to determine the specific remuneration packages of the Non-Executive Director, Executive Directors, Managing Director/ Chief Executive Officer and Senior Management with a balance as to be able to attract and retain talents without paying excessive remuneration within the terms of such agreed policy; and
- (c) to review and recommend to the Board, the compensation payable to Managing Director, Executive Director and Senior Management in connection with their individual contributions to the Company's overall performance and take into account the demands and complexities as performance of the Company as well as skills and experience required.

## **3. COMPOSITION OF MEMBERS**

The RC shall comprise exclusively of Non-Executive Directors, at least three (3) members, and a majority shall be Independent Directors.

*MCCG—Guidance 7.2*

For avoidance of directors' actual and potential conflicts of interest, a member of the Committee shall ensure disclosure to the Board, the nature and extent of his interest in a transaction or arrangement of interest and if such transaction or arrangement is being deliberated during a board meeting, he shall be absent from the meeting during such deliberations. An interested director must make disclosure by written notice to all members of the Board and Company Secretary as soon as practicable after being aware of his interest in such transaction or arrangement.

If a member of the Committee resigns, dies, is incapacitated or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three (3) months appoint such number of new members as may be required to make up the minimum of three (3) members.

Each appointed Committee member shall hold office until the earlier of:-

- (i) such time as the Board determines to terminate his/her appointment;  
or
- (ii) the Committee member ceasing to be a member of the Board.

Where there is a specific need for information or clarification on any matters, the relevant staff may be invited to attend the specific part(s) of the Committee's meeting(s).

#### **4. THE CHAIRMAN**

The Chairman of the RC shall be elected from amongst the RC members. The Chairman of the Committee shall be approved by the Board of Directors.

In the absence of the Chairman, the remaining members present shall elect one of themselves to chair the meeting.

#### **5. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Remuneration Committee are as follows:-

- (a) review annually and recommend to the Board the overall remuneration policy for the Directors and Senior Management (including but not limited to directors' fees, salaries, allowances, bonuses, share options and benefits-in-kind) that support Ta Win's long-term success and shareholder value, and ensure that compensation is consistent with Ta Win's business strategy and long-term objectives, including but not limited to:-

*MCCG-Guidance 7.1*

- (i) attracting and retaining Directors and Senior Management of requisite quality that increases productivity and profitability in the long run;
- (ii) motivating and creating incentives for Directors and Senior Management to perform at their best; and
- (iii) focusing attention on the achievement of desired goals and objectives.

- (b) make annual recommendations to the Board on the individual remuneration packages for the Directors and Senior Management (including but not limited to director's fees, salaries, percentages, bonuses, commission, compensation for loss of office, and benefits-in-kind based on an estimated money value). The Committee shall ensure that such remuneration packages are competitive, fair and not excessive, and in determining such packages and arrangements the Committee must consider:-

- (i) the individual level of responsibilities undertaken, skills and experience as well as performance and contribution to Ta Win's growth and profitability, ensuring that the linkage between remuneration and performance is robust;

- (ii) the underlying performance of Ta Win as a company on the whole, in light of Ta Win's business plans and consider competitors' results, analyst reports and the views of the Chairman of other Board committees;
  - (iii) the relative weighting of fixed and variable remuneration for target performance varies with level of responsibility, complexity of the role and typical market practice;
  - (iv) relevant market comparisons and practice as well as any other relevant guidance;
  - (v) that the performance criteria set are genuinely challenging and that they are more suitable than possible alternatives; and
  - (vi) that the fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to Executive Directors may not include a commission on or percentage of turnover; and
  - (vii) any other such factors as the Committee considers necessary or appropriate;
- (c) review annually the performance of the Non-Executive Directors, Managing Director, Executive Directors and Senior Management and recommend to the Board specific adjustments in remuneration and/or reward payments, if any, taking into account the consideration the points set out in (b)(i) to (vi) above;
  - (d) ensure adequate disclosure of the remuneration of directors for the financial year in the Company's annual report in accordance with the MMLR and MCCG;
  - (e) review, assess and recommend to the Board of Directors the remuneration packages of the executive directors in all forms, with other independent professional advice or outside advice as necessary; and
  - (f) ensure the remuneration and incentives for independent directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed.

*MCCG-Guidance 7.1*

## **6. MEETINGS AND MINUTES OF THE COMMITTEE**

- (a) The Committee shall meet not less than once a year and at such other times as the Chairman of the Committee considers necessary or appropriate. The Chairman may call for additional meetings at any time at the Chairman's discretion.
- (b) The quorum for meeting shall be at least two (2) members or 50% of the total members, whichever is higher.

- (c) The Company Secretary or any person appointed by the RC shall act as Secretary of the Committee of the Company.
- (d) The Secretary shall on the requisition of the members of the RC summon a meeting of the RC except in the case of an emergency, reasonable notice of every Remuneration Committee meeting shall be given in writing.
- (e) The Secretary of the Committee shall circulate the notice prior to the RC Meeting.
- (f) The minutes of the Committee, when approved by the Committee and signed by the Chairman of the Committee, should be circulated to the Board.
- (g) Resolutions, proposals and matters tabled for approvals at the Nomination Committee meeting shall be decided by a simple majority of the members present. In the event of equality of votes, the Chairman of the Committee shall have a second or casting vote.
- (h) The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee. The Secretary shall be responsible for taking the minutes of meeting, keeping the minutes and to produce the minutes for inspection when necessary.

## **7. RESOLUTIONS AND PROPOSALS BY CIRCULATION**

The Committee is allowed to carry out its resolutions by way of circulation. A resolution in writing signed or approve by letter, electronic mail, telegram, telex or telefax or other form of electronic communication by a simple majority of the Committee, shall be valid effectual as if it had been passed at a meeting of the Committee duly called and constituted.

All such resolutions shall be described as "Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the minutes book.

## **8. REPORTING STRUCTURE**

The Chairman of the Committee will report formally to the Board on the key aspects of its proceedings after each meeting. The Committee shall not be delegated with decision making powers but shall report its recommendations to the Board for decision.

## **9. REVIEW OF THE TERMS OF REFERENCE**

The Committee shall review its own performance and terms of reference at least once a year to ensure that the Committee is operating at maximum effectiveness and recommend any change it considers necessary to the Board for approval.