

TXCD BERHAD

[Registration No. 200201027337 (595000-H)]

TERMS OF REFERENCE OF THE REMUNERATION

COMMITTEE (Revised as at 15 April 2025)

1. OBJECTIVE OF THE COMMITTEE

- 1.1 The Remuneration Committee ("the Committee") of TXCD Berhad ("TXCD") is established to assist the Board in relation to following areas:
- a) recommending to the Board, remuneration policy, remuneration framework and performance measures criteria of the Executive Directors and Senior Management so as to ensure that TXCD Group attracts and retains the Directors and Senior Management of the appropriate calibre, experience and quality needed to run TXCD Group successfully; and
 - b) to determine the remuneration packages of Non-Executive Directors which shall be a decision of the Board as a whole.

2. COMPOSITION OF THE COMMITTEE

- 2.1 The Committee shall comprise exclusively of Non-Executive Directors with a majority of them being Independent Directors.
- 2.2 The composition of the committee must not be less than three (3) Members. Where the Members for any reason are reduced to less than three (3), the Board shall within three (3) months of the event, appoint such number of new Members as may be required to make up the minimum number of three (3) Members.
- 2.3 All Members shall hold office only for so long as they serve as Directors of the Company.
- 2.4 The change of the Members of the Committee shall be decided by the Board from time to time.

3. CHAIRMAN OF THE COMMITTEE

- 3.1 The Board shall elect a Chairman from amongst the Members.
- 3.2 At all meetings of the Committee, the Chairman of the Committee, if present, shall preside. In the absence of the Chairman of the Committee, the remaining members present shall elect one of their members as Chairman of the meeting.

4. SECRETARY OF THE COMMITTEE

- 4.1 The Company Secretary and/or his or her representative shall be the Secretary of the Committee.
- 4.2 The Secretary shall draw up an agenda for each meeting, in consultation with the Chairman of the Committee. The Agenda shall be sent to all members of the Committee at least five (5) working days before each meeting together with the relevant papers.
- 4.3 The Secretary shall promptly prepare the written minutes of the meeting and distribute it to each member. The minutes of the Committee meeting shall be confirmed and signed by the Chairman of the meeting at the next meeting.
- 4.4 The minutes of each meeting shall be entered into the minutes book kept at the registered office of the Company under the custody of the Company Secretary. The minutes shall be available for inspection by members of the Board and other persons deemed appropriate by the Company Secretary.

5. MEETINGS OF THE COMMITTEE

- 5.1 The Committee shall meet at least once a year or at such other times as the Chairman of the Committee deemed necessary.
- 5.2 The Chairman of the Committee, or the Secretary on the requisition of the Members, shall at any time summon a meeting of the Members by giving due notice together with an agenda of items to be discussed.
- 5.3 No business shall be transacted at any meeting of the committee unless a quorum is present. Two (2) Members of the Committee shall be constitute a quorum, of which at least one (1) shall be an Independent Non-Executive Director.
- 5.4 Any decision arising at the meeting shall be decided by a majority of votes, each Member having one vote and a determination by a majority of Member shall for all purposes be deemed a determination of the Members. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
- 5.5 All recommendations and findings of the Committee shall be submitted to the Board of Directors for approval.

- 5.6 The Managing Director and/or other appropriate officer may be invited where their presence is considered appropriate as determined by the Committee Chairman.

6. CIRCULAR RESOLUTION

A resolution in writing, signed by a majority of the Committee members being entitled to receive notice of a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

7. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The following are the main duties and responsibilities of the Remuneration Committee collectively. These are not exhaustive and can be augmented if necessary by Board approval:

- 7.1 To review and recommend to the Board on the remuneration of Non-Executive Directors, particularly on whether the remuneration remains appropriate to each Director's contribution, taking into account the level of expertise, commitment and responsibilities undertaken.
- 7.2 To review and recommend to the Board the remuneration arrangements for the Non-Executive Directors, including but not limited to fees, allowances and benefits-in-kind.
- 7.3 To review and recommend to the Board on the individual remuneration package for Executive Director and Senior Management including, where appropriate, bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance.
- 7.4 To review and recommend the remuneration arrangements for the Executive Director including but not limited to annual remuneration, service contracts and compensation payment.
- 7.5 To ensure that the remuneration package for Executive Director is commensurate with skills and responsibility expected of the director concerned and is sufficient to attract and retain Directors needed to run the Company successfully.

- 7.6 To ensure that the remuneration package for Senior Management is commensurate with individual's performance, skills and experience, level of responsibility as well as the market benchmarks.
- 7.7 To recommend the appointment of remuneration consultants, where necessary.
- 7.8 Oversee the disclosures of remuneration made in the annual report and notice to General Meetings.

8. **POWERS AND AUTHORITY OF THE COMMITTEE**

- 8.1 In carrying out its duties and responsibilities, the Committee shall have:
 - a) The resources which are required to perform its duties;
 - b) Full, free and unrestricted access to any information, records, properties and personnel of the Company and any other companies within the Group;
 - c) Full access to independent professional advice and expertise, where necessary; and
 - d) Access to the advice and services of the Company Secretary.

9. **DISCLOSURE**

The Committee shall assist the Board in making certain disclosures concerning the activities of the Committee such as the Corporate Governance Report in the Annual Report in accordance with the Listing Requirements.

10. **REVISION OF THE TERMS OF REFERENCE**

- 10.1 Any revision or amendment to the Terms of Reference, as proposed by the Committee shall be first be presented to the Board for its approval.
- 10.2 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.