

**TALAM TRANSFORM BERHAD (1120-H)**  
**- TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

**Constitution**

The Nomination Committee and Remuneration Committee were established on 27 September 2001 and 22 December 2000 respectively and were subsequently combined and renamed as Nomination & Remuneration Committee on 27 September 2007.

On 22 January 2009, the Nomination & Remuneration Committee was separated into two (2) separate committees, namely, Nomination Committee and Remuneration Committee respectively.

**Membership**

The Remuneration Committee shall be appointed by the Board of Directors (“Board”) consisting either exclusively or mainly non-executive directors, majority of whom shall be independent directors.

The Board or members of the Remuneration Committee shall elect a Chairman from amongst the members who shall be a non-executive director.

**Objectives**

The general objectives of the Remuneration Committee are as follows:-

- (i) to maintain a remuneration policy which attracts, retains, motivates high caliber directors/group chief executive officer.
- (ii) to ensure that the remuneration policy of the Group appropriately compensate the contribution of the executive directors and group chief executive officer to the performance of the Company and individual subsidiaries.

**Functions and Duties**

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

- (i) to recommend to the Board, the reward framework for executive directors/group chief executive officer and perform an on-going review of the executive directors’/group chief executive officers’ remuneration structure.
- (ii) to recommend to the Board, changes in remuneration, if required, or in the event the present structure and remuneration policy are deemed inappropriate.
- (iii) the remuneration of the non-executive directors are to be determined by the Board on the recommendation of the Remuneration Committee.

- (iv) to review and approve annual salaries, incentive arrangements, service agreements and other employment conditions for the executive directors/group chief executive officer with consideration of the performance of the executive directors/group chief executive officer. This can be performed by linking the executive director/group chief executive officer's remuneration to corporate and individual performance, such as, performance of the Company, growth of the Company vis-à-vis the growth of the industry, contribution of the executive directors/group chief executive officer to the Group etc.
- (v) to ensure that the membership to the Remuneration Committee is disclosed in the Annual Report in line with the requirements of the Malaysian Code on Corporate Governance.
- (vi) to perform regular review of the competitiveness of the Group's remuneration structure and to keep itself fully informed of developments and best practices in the field of remuneration.
- (vii) any other duties in relation to setting of remuneration levels as directed by the Board.

### **Meetings and Minutes**

- (i) Meetings shall be held as and when required and to be attended by the members of the Remuneration Committee.
- (ii) The quorum of the meetings shall be at least two (2) members or 50% of the total members, whichever is higher.
- (iii) The Remuneration Committee shall cause minutes to be entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Remuneration Committee. Such minutes shall be signed by the Chairman of the meeting at which proceedings were held or by the Chairman of the next succeeding meeting.
- (iv) Minutes of each meeting shall be distributed to all members of the Remuneration Committee.
- (v) The Remuneration Committee is also allowed to carry out the resolution by way of circulation.
- (vi) The books containing the minutes of the proceedings of any meeting of the Remuneration Committee shall be kept by the Company at the principal office of the Company, and shall be opened for the inspection by any member of the Remuneration Committee and the Board.
- (vii) The Company Secretary shall be secretary of the Remuneration Committee.