



# **TECHNA-X BERHAD**

Registration No.: 200601012477 (732227-T)  
(Incorporated in Malaysia)

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

### **1. Objectives**

The principal objective of the Remuneration Committee is to assist the Board of Directors in their responsibilities in assessing the remuneration packages of the Directors.

### **2. Composition of members**

The Board of Directors shall elect the Remuneration Committee members from amongst themselves and shall comprise at least two (2) members, exclusively of Non-Executive Directors and a majority of whom are independent.

Where the members of the NC for any reason are reduced to less than two (2), the Board shall, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of two (2) members.

### **3. Chairman**

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

### **4. Secretary**

The Secretary of the Remuneration Committee shall be the Company Secretary.

### **5. Meetings**

The Remuneration Committee shall meet as and when required at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

The Remuneration Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit by means of any communication technology by which all persons participating in the meeting are



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able to hear and be heard by all other participants without the need for a member to be in the physical presence in the meeting. The member participating in any such meeting shall be counted in the quorum for such meeting. All resolutions agreed by the member in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the members duly convened and held.

Resolutions, proposals and matters tabled for approvals at any meeting of the Committee shall be decided by a simple majority of the members present.

The Secretary shall on the requisition of the members of the Remuneration Committee summon a meeting of the Remuneration Committee except in the case of an emergency, reasonable notice of every Remuneration Committee meeting shall be given in writing.

**6. Minutes**

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Remuneration Committee and also to the other members of the Board.

The minutes of the Remuneration Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

**7. Quorum**

A quorum shall consist of two (2) members, one of whom shall be the Chairman of the Remuneration Committee.

**8. Circular Resolutions**

A resolution in writing signed by a majority of the Remuneration Committee Members for the time being not being less than two (2) Remuneration Committee Members shall be as valid and effectual as if it had been passed at a Meeting of the Remuneration Committee duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more Remuneration Committee Members. Any such document, may be accepted as sufficiently signed by a Remuneration Committee Member if transmitted to



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Company by telex, telegram, cable, facsimile or other electrical or digital written message purporting to include a signature of a Remuneration Committee Member.

**9. Authority**

The Remuneration Committee, in accordance with a formal and transparent procedure, process or policy on Executive Directors' and Senior Management's remuneration packages determined and established by the Board of Directors and at the expense of the Company, shall:

- (a) review, assess and recommend to the Board of Directors the remuneration packages of the Executive Directors and Senior Management in all forms, with other independent professional advice or outside advice as necessary.
- (b) be entitled to the services of a company secretary who must ensure that all decisions made on the remuneration packages of the Executive Directors and Senior Management be properly recorded and minuted in the minutes book.

**10. Duties and Responsibilities**

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

- To recommend to the Board of Directors the remuneration packages of the Executive Directors, Non-Executive Directors and Senior Management.
- To review and assess the remuneration packages of the Executive Directors and Senior Management in all forms, with or without other independent professional advice or other outside advice to reflect the Board's responsibilities, expertise and complexity of the Company's activities.
- To structure the component parts of remuneration so as to align with the business strategy and long-term objectives of the Company and to link rewards to individual performance and to assess the needs of the Company for talent at Board level at a particular time.



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- To recommend to the Board of Directors the policy and framework for Directors' remuneration as well as the remuneration and terms of service of Executive Directors.
- In respect of Executive Directors, to ensure that the remuneration package commensurate with skills and responsibility expected of the Director concerned and is sufficient to attract and retain Directors needed to run the Company successfully.
- In respect of Non-Executive Directors, to ensure via the Board as a whole that the remuneration payable reflects the experience, time demanded of the Directors to discharge their duties and responsibilities undertaken.
- In respect of Senior Management, to ensure that the remuneration package commensurate with individual's performance, skills and experience, level of responsibility as well as the market benchmarks.
- To consider details of remuneration of each Director such as basic salary, bonus and other benefits-in-kind, and how these details should be presented in the Annual Report.
- To act in line with the directions of the Board of Directors; and
- To consider and examine such other matters as the Remuneration Committee considers appropriate.

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\* Note: These terms of reference may change from time to time to fulfill such other requirements as prescribed by the Bursa Malaysia Securities Berhad.

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