



TEXCHEM RESOURCES BHD.

REMUNERATION POLICY AND PROCEDURES

1.0 Objective

1.1 The Remuneration Policy and Procedures are designed to:

- (a) provide an overall remuneration package for directors and senior management which is able to attract, engage and retain the right talent and to motivate directors and senior management to drive the Company's long term objectives and to ensure business sustainability and growth; and
- (b) ensure that the directors and senior management are offered an appropriate level of remuneration which is in line with the Company's strategic objectives and corporate value and which will not give rise to conflicts between the objectives and interests of the Company and the interests of individual directors and senior management.

2.0 Policy

2.1 The Remuneration Policy and Procedures will apply to directors and senior management of Texchem Resources Bhd.

2.2 The Remuneration Policy and Procedures shall take into consideration relevant factors so that the remuneration package for directors and senior management will align with the Company's business needs and is appropriately positioned relative to the market.

2.3 The Board of Directors ("Board") shall cause the Company to adopt and implement the Remuneration Policy and Procedures through the Remuneration Committee.

2.4 The Remuneration Committee shall assist the Board to set up and implement the Remuneration Policy and Procedures by developing and administering fair and transparent procedures relating to determining, reviewing, assessing and recommending the remuneration packages for directors and senior management.

2.5 The framework of remuneration covers the following forms:

- (a) directors' fees;
- (b) salaries;
- (c) bonuses;

- (d) scheme of payment of benefits to directors upon retirement/resignation;
- (e) benefits in kind including but not limited to provision of company car, club membership, medical and health insurance, travel and related expenses and general benefits and rewards;
- (f) allowances including meeting allowance paid to independent non-executive directors in recognition of their commitment and time spent in attending meetings;
- (g) committee chairman and members' fees for Audit Committee; and
- (h) such other incentives as may be determined from time to time.

2.6 Executive directors shall not participate in any way in determining their individual remuneration while the Board determines the remuneration of non-executive directors. The individual director concerned shall abstain from discussion of and voting on his or her own remuneration.

2.7 The Board shall ensure that the remuneration and incentives for Independent Directors will not cause any conflict with such directors' obligation to bring objectivity and independent judgment in the discharge of their duties.

3.0 Procedures

3.1 The Board together with the Remuneration Committee shall:

- (a) take into consideration factors such as qualifications, skills, competency and experience of the directors and senior management, the demands and complexities of the Company's businesses, performance of the Company, market competitiveness and market benchmark in deciding the remuneration of directors and senior management so that the remuneration is commensurate with individual performance and contribution keeping in mind that variable compensation payments shall not be finalised over short periods when risks are realised over long periods.
- (b) take into account factors such as the directors' contributions, effort and time spent, attendance at meetings and the frequency of meetings, the respective responsibilities of the directors including the board committees on which they serve and market practices in determining the remuneration of non-executive directors.
- (c) link certain components of the remuneration to rewards with regard to corporate and individual performance based on appropriate and meaningful performance measures set by the Company.
- (d) review the remuneration levels for directors and senior management annually.
- (e) consider specific adjustments and/or reward payment, if any, reflecting individual contributions and performance for the year and which are competitive and consistent with the Company's culture and strategic objectives.

- (f) regularly review the Remuneration Policy and Procedures to ensure that it remains aligned with the Company's business needs and corporate objectives and is appropriately positioned relative to the market.
- 3.2 The final authority and responsibility for implementing the Company's remuneration policy and approval of remuneration package rest with the Board.
- 3.3 Directors' fees and any benefits proposed by the Board to be payable to the directors each year are subject to the shareholders' approval at the Company's Annual General Meeting.
- 3.4 The Board will periodically review the Remuneration Policy and Procedures to ensure its effectiveness.

Reviewed, approved and adopted by the Board on 27 February 2018.