



TEXCHEM RESOURCES BHD.
[Reg. No.: 197301002868 (16318-K)]

REMUNERATION COMMITTEE

TERMS OF REFERENCE

Objective

In accordance with the Malaysian Code on Corporate Governance, the Remuneration Committee is set up to provide recommendations to the Board of Directors (“Board”) on:

- a) a formal and transparent procedure for developing the remuneration policy that meets the Company’s business strategies and long-term objectives.
- b) the remuneration of the Executive Directors and senior management in all its forms such that the component parts of remuneration are structured to link rewards to corporate and individual performance.

Executive Directors should play no part in decisions on their own remuneration while the remuneration of the Non-Executive Directors should be a matter for the Board as a whole to determine. The individuals concerned should abstain from discussion of and voting on his or her own remuneration.

Size and Composition

The Remuneration Committee shall consist wholly of Non-Executive Directors and a majority of them must be independent Directors. The members of the Remuneration Committee shall elect a Chairman from amongst its members.

Meetings

The Remuneration Committee shall meet as and when is necessary. The quorum for any meetings shall be two (2) members subject to any laws, guidelines or rules that may be imposed by Bursa Malaysia Securities Berhad and/or any other relevant authority(ies).

Secretaries

The Company Secretaries shall act as Secretaries of the Remuneration Committee and shall be responsible for keeping minutes of meetings of the Remuneration Committee and circulating them to the Remuneration Committee members.

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Duties and Responsibilities

- 1) To determine and recommend to the Board the framework or broad policy for the remuneration, in all forms, of the Executive Directors, senior management and/or any other persons as the Remuneration Committee is designated to consider by the Board, having regard to the Company's operating results, individual performance, comparable market statistics and drawing from outside advice as necessary.
- 2) To determine and recommend to the Board the remuneration packages and any performance related pay schemes for the Executive Directors, senior management and/or any other persons as the Remuneration Committee is designated to consider by the Board.
- 3) To determine the policy for and scope of service agreements for the Executive and Non-Executive Directors, termination payment and compensation commitments.
- 4) To report to the Board any matters that the Remuneration Committee considers should be brought to the attention of the Board and to provide sufficient information to the Board to ensure that the Board makes an informed decision in relation to the Remuneration Committee's recommendations.
- 5) To produce any required reports as may be required from time to time.
- 6) To recommend to the Board the appointment of the services of such advisers or consultants as it deems necessary to fulfill its responsibilities.
- 7) To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.
- 8) The Chairman shall attend the Annual General Meetings to answer any questions relating to the Remuneration Committee's activities