

TANCO HOLDINGS BERHAD

(Company No.: 3326-K)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. MEMBERSHIP

- a) The Remuneration Committee (“Committee”) shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than three (3) members.
- b) The Committee shall consist of non-executive Directors, a majority of whom are independent Directors.
- c) The Chairman of the Committee and the members shall be appointed by the Board based on the recommendations of the Nomination Committee.
- d) If a member of the Committee resigns or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three (3) months, appoint such number of new members as may be required to make up the minimum of three (3) members.
- e) The appointment of a Committee member terminates when the member ceases to be a Director or as determined by the Board. No Alternate Director shall be appointed as a member of the Committee.

2. FUNCTIONS AND DUTIES

- a) To recommend to the Board, the remuneration packages of all Executive Directors in all forms inclusive of cash and non-cash benefits, options and privileges granted by the Company. The remuneration packages should be sufficient to attract and retain the Director needed to run the Company successfully.
- b) To review and recommend on an annual basis, all benefits and entitlements of all Executive Directors including any compensation for loss of employment of director / former director.
- c) To review the fees and benefits payable to the Non-Executive Directors of the Company and recommend to the Board of Directors and thereafter to be approved by the shareholders at general meeting.
- d) To establish a formal and transparent procedure for developing policy on executive remuneration for fixing the remuneration packages of individual directors.
- e) To oversee any major changes in employee remuneration and benefit structures throughout the Group.

- f) To review policies governing the remuneration and promotion of key senior management of the Group.
- g) To consider other matters as referred to the Committee by the Board.

In framing the Group's remuneration policy, the Remuneration Committee obtain the advice and information from external source, if necessary, it is, nevertheless, the ultimate responsibility of the entire Board to approve the remuneration of the Directors.

The determination of the remuneration of the Non-Executive Directors including Non-Executive Chairman is a matter for the Board as a whole. The level of remuneration payable shall reflect the experiences, level of responsibilities and time commitment undertaken by the Non-Executive Directors concerned.

3. MEETINGS

- a) The quorum for each meeting shall be at least two (2) members. In the absence of the Chairman of the Committee, the members present shall elect one (1) of their members to chair the meeting.
- b) The Committee shall meet at least once a year and such additional meetings as may be called at any time at the discretion of the Remuneration Committee Chairman.
- c) The Committee may invite any person to attend the meeting to assist in its deliberations.
- d) The Committee is allowed to carry out the resolution by way of circulation.
- e) The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
- f) The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.
- g) The minutes of the Committee shall be made available to the Board.

4. RIGHTS AND AUTHORITY

The Committee is authorised to: -

- a) Have adequate resources required to perform its duties.
- b) Have full and unrestricted access to information, records and documents relevant to its activities.

5. REVIEW OF THE TERMS OF REFERENCE

The Committee will review the above terms of reference from time to time whenever deem necessary for approval by the Board. The latest copy of the terms of reference of the Committee shall be made available on the Company's website.