

**TIEN WAH PRESS HOLDINGS BERHAD**  
[Registration No: 199501011233 (340434-K)]

**TERMS OF REFERENCE  
REMUNERATION COMMITTEE**

**1. Introduction**

The Remuneration Committee (the “**RC**” or “**Committee**”) of Tien Wah Press Holdings Berhad (“**TWPH**” or the “**Company**”) was formed by the Board of Directors of the Company. Its primary function is to recommend to the Board the remuneration package of Executive Directors, Non-Executive Directors including Executive Chairman, Chief Executive Officer (“**CEO**”) and Senior Management reporting directly to the CEO of the Company and its subsidiaries (the “**Group**”) to attract, retain and motivate Directors, CEO and Senior Management to drive long term objectives of the Group.

**2. Membership**

2.1 The members of the Remuneration Committee shall comprise wholly Non-Executive Directors and a majority of them must be Independent Directors and at least three (3) members in total. The appointment of a Committee member terminates when the member ceases to be a Director, or as determined by the Board.

2.2 The Chairman of the Board shall not be a member of the Committee. The Chairman of the Committee shall be a Non-Executive Director appointed by the Board.

**3. Attendance**

Only members of the Committee have the right to attend Committee meetings. However, other Directors and individuals such as the CEO, the Head of Human Resources, members of Management, consultants and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

**4. Quorum and Meetings**

The quorum of the Committee shall be at least two (2) members and no business shall be transacted at any meeting of the Committee unless a quorum is present. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst themselves.

The Committee will normally meet as required. Such meetings are at the call of the Chairman and shall be held not less than once a year.

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The Committee may conduct its meeting to include participation thereat by any member or invitee via video or teleconferencing or any other means of audio or audio – visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

A member of the Committee shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to a situation of an actual or perceived conflict of interest for the member.

The Committee may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing, signed, approved or assented by letter, electronic mail, telegram, telex or telefax or other electronic communication by all the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one (1) or more committee members as may be transmitted to the Company by any technology purporting to include a signature and/or electronic or digital signature of the members of the Committee.

#### **5. Secretary**

The Secretary or other appropriate senior official of the Company shall be secretary (the “**Secretary**”) of the Committee.

#### **6. Duties**

The duties of the Committee shall be to:

- (a) assess and recommend to the Board the remuneration of Executive Directors, Non-Executive Directors, CEO and Senior Management and any position that is endorsed by the Nomination Committee in all its forms and to review the remuneration policies and procedures of the Group. The level of remuneration should be aligned with the business strategy and long-term objectives and success of the Company, complexity of the Group’s activities and reflect the experience and level of responsibilities undertaken by the Executive Directors, CEO and Senior Management.
- (b) assist the Board in developing and administering a fair and transparent procedure for setting policy on remuneration of Directors and Senior Management. Remuneration packages are determined on the basis of the Directors’ and Senior Management’s merit, qualification and competence, having regard to the Group’s long term strategic goals, sustainability risks and opportunities, operating results, individual performance and comparable market information.

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- (c) review the performance of the Executive Directors and Senior Management against the Key Performance Indicators and recommend to the Board specific adjustments in remuneration and/or reward payments if any, reflecting their contributions for the year.
- (d) Review and recommend to the Board and thereafter the shareholders at the Annual General Meeting, the fees of the Directors and any benefits payable to the Directors including any compensation for loss of employment of Director or former Director.
- (e) Consider all other related matters as may be requested by the Board from time to time

The determination of remuneration packages of Executive Directors and Non-Executive Directors, including Executive Chairman, should be a matter for the Board as a whole where the individuals concerned shall abstain from discussion of their own remuneration.

No individual shall take part in any discussion concerning specifically his or her own remuneration.

## **7. Procedures in determining remuneration packages**

The Committee follows formal and transparent procedures when deciding the remuneration packages of: -

### **The Executive Directors and Senior Management**

7.1. The Committee sets the remuneration package based on the following guidelines:

- 7.1.1. To be linked to corporate and individual performance
- 7.1.2. The following method of linking pay to performance to be considered:
  - Develop performance criteria that tie to directors' performance and efforts rather than general market fluctuations
  - Consider factors such as net income, earnings per share and stock price appreciation
  - Complexity of the Group's business and the individual's responsibilities

7.2. Evaluations on the remuneration are done once a year and evaluations are circulated to all members of the Committee. The Committee is then to recommend the evaluations to the Board for approval based on remuneration policies adopted by the full Board.

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7.3. The Board would then give a decision and pass a resolution to approve the individual new package.

#### **The Non-Executive Directors (NEDs)**

7.4. The Committee sets the remuneration package based on the following guidelines:

- To attract, retain and motivate directors of a required caliber to run the Company successfully.
- To remunerate directors fairly.
- To ensure that the directors' remuneration reflects their experience and responsibilities including providing leadership and guidance to management and time commitment.
- To build sustainable shareholder value by aligning the interests of directors with the long-term interests of shareholders by not linking fees to the results of the Company.

NEDs receive remuneration in the form of directors' fees as compensation for their services plus the benefits payable incurred in the course of performing their services.

The fees of the NEDs are reviewed by the Remuneration Committee once every two (2) years and where necessary, advised by subject matter experts or consultants, taking into account the fees paid to NEDs of comparable companies and capacity to attract and retain highly competent NEDs.

#### **8. Advisers**

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the Group as and when it considers this necessary, at the expense of the Company.

#### **9. Minutes**

The Minutes of meetings of the Committee shall be circulated to all members the Committee and Board. The minutes shall be kept at the registered office of the Company under the custody of the Secretary of the Company and shall be open for inspection by the Board. Any request by Management or other persons to inspect the minutes shall be subject to the approval of the Committee.

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**10. General Meetings**

The Chairman of the Committee should attend the Annual General Meeting and/or general meetings to answer any shareholder questions on the Committee's activities.

Directors who are shareholders should abstain from voting at general meetings to approve their fees. Similarly, Executive Directors should not be involved in deciding their own remuneration.

**11. Reporting Responsibilities**

The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters with its duties and responsibilities.

The Committee shall make whatever recommendation to the Board it deems appropriate or any area within its remit where action or improvement is needed.

**12. Written Terms of Reference**

The Committee must have written terms of reference which deal with its authority and duties and these terms shall be disclosed on the Company's website.

**13. Periodic Review**

This Terms of Reference shall be reviewed whenever necessary by the Committee.

Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party, shall first be presented to the Board for its approval.

Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

This Term of Reference is dated 23 November 2022.