

KRETAM HOLDINGS BERHAD

REMUNERATION COMMITTEE

Reviewed and revised on 9 April 2018

TERMS OF REFERENCE

The members of the Remuneration Committee are as follows:-

REMUNERATION COMMITTEE MEMBERS

1. Mr Tan Kung Ming (*Chairman*) ~ *Independent, Non-Executive*
2. Ms Teo Gim Suan ~ *Independent, Non-Executive*
3. Mr Lee Kok Toong @ Lee Ming Heng ~ *Independent, Non-Executive*

The Terms of Reference of the Remuneration Committee are as follows:-

ESTABLISHMENT

1. A Committee of the Board known as the Remuneration Committee was established on 12 December 2001 in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (formerly known as Kuala Lumpur Stock Exchange) and the Malaysian Code on Corporate Governance.

MEMBERSHIP

2. The Remuneration Committee shall consist of not less than three (3) members. The members shall consist wholly of Non-Executive Directors, the majority of whom are Independent.
3. The members of the Committee shall select a Chairman from among their numbers, who shall be a Non-Executive.
4. If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.
5. The terms of office of committee members shall be reviewed by the Board as and when required.

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6. The primary objectives of the Remuneration Committee is to act as a committee of the full Board to assist in assessing the remuneration of the Directors reflecting the responsibility and commitment undertaken by the Board members.

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FUNCTIONS

7. The functions of the Committee shall be to:-
- a) Recommend to the Board, the remuneration of the Executive and Non-Executive Directors;
 - b) Assist the Board in assessing the responsibility and commitment undertaken by the Board members; and
 - c) Assist the Board in ensuring the remuneration of the Directors reflects the responsibility and commitment of the Director concerned

together with such other functions as may be agreed to by the Remuneration Committee and the Board of Directors.

The Executive Directors should not be involved in decisions on their own remuneration. Determination of remuneration packages of Non-Executive Directors, including Non-Executive Chairmen should be a matter for the Board as a whole. The individuals concerned should abstain from discussion of their own remuneration.

ATTENDANCE AT MEETINGS

8. The quorum for meetings of the Remuneration Committee shall be two (2) members.
9. The Company Secretary shall be the Secretary of the Committee.

PROCEEDINGS AT MEETINGS

10. If at any meeting the Chairman is not present within ten (10) minutes after the time appointed for holding the meeting, or is unwilling to act, the members present may choose one of their numbers to be Chairman of the meeting.
11. Save as is otherwise provided, the Committee shall meet, adjourn or otherwise regulate its meetings and proceedings as it thinks fit. Questions arising at any meeting of Remuneration Committee shall be decided by a majority of votes and a determination by a majority of members shall for all purposes be deemed a determination of the Remuneration Committee.
12. In the case of an equality of votes the Chairman of the meeting shall have a second or casting vote PROVIDED THAT where two (2) members form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two members are competent to vote on the question at issue, shall not have a casting vote.
13. A resolution signed by all members of the Remuneration Committee for the time being present in Malaysia shall be as effective as a resolution passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several

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documents in the same form and each signed by one or more members of the Remuneration Committee.

FREQUENCY AT MEETINGS

14. The meetings shall be held not less than once a year. A member may at any time and the Secretary shall on the requisition of a member summon a meeting of the Remuneration Committee.

REPORTING PROCEDURES

15. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.