

JOHAN HOLDINGS BERHAD

(Company No. 314-K)

TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

Constitution

- 1 The Board hereby resolves to establish a Committee of the Board to be known as the Remuneration Committee.

Membership

- 2 The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three members.
- 3 The members of the Committee shall select a Chairman from among their members.
- 4 If a member of the Committee resigns, dies or for any other reason ceases to be a member, the board of directors shall, within 3 months of that event, appoint new members as replacement.

Authority

- 5 The Committee is authorised by the Board to oversee and review the level and composition of Directors' and Senior Management's remuneration, to take into account the Group's desire to attract and retain right talent in the Board and Senior Management to drive the Group's long-term objective.
- 6 The Committee is authorised by the Board to obtain other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Functions

- 7 The functions of the Committee are :-
 - (i) support the board in actively overseeing the design and operation of the company's remuneration system;
 - (ii) review and recommend to the board on the remuneration of non-executive directors, particularly on whether the remuneration remains appropriate to each director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken;
 - (iii) review and recommend to the board on the total individual remuneration package for executive directors and senior management personnel including, where appropriate, bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance;
 - (iv) oversee the qualitative and quantitative disclosures of remuneration made in the annual report and notice to general meetings; and

- (v) provide clarification to shareholders during general meetings on matters pertaining to remuneration of directors and senior management as well as the overall remuneration framework of the company.

Attendance at meetings

- 8 Other Board members may attend the meetings at the Committee's invitation.
- 9 The Group's General Manager – Human Resource shall be the Secretary of the Committee.

Meeting

- 10 The Committee shall meet at least once in a year or otherwise as it decides.
- 11 The Quorum shall be two (2) members present.

Reporting Procedures

- 12 The Secretary shall circulate the minutes of meetings of the committee to all its members.

Date: 21 March 2018