



KIM HIN INDUSTRY BERHAD

Registration No.: 197301003569 (18203-V)

(Incorporated in Malaysia)

REMUNERATION COMMITTEE TERMS OF REFERENCE

Terms of reference of Remuneration Committee

Appointment/Composition

The Committee shall be appointed by the Board and shall consist of not less than 2 members of whom the majority shall be non-executive Directors.

An alternate director shall not be appointed as a member of the Committee.

The members of the Committee shall elect a Chairman from amongst their number who shall be an independent director.

If the number of members of the Committee is reduced to below 2, the Board shall within 3 months appoint such number of new members as may be required to make up the minimum of 2 members.

The Committee's terms of office and performance is subject to review by the Board every 3 years to determine whether the Committee has carried out their duties in accordance with the Terms of Reference.

Authority

The Committee is authorised by the Board to recommend to the Board the remuneration of the executive director in all its form. The actual decision as to the level of remuneration payable will be the responsibility of the full board after considering the recommendations of the Remuneration Committee. It has unrestricted access to all of the Group's executive directors' records to enable it to discharge its duties.

Executive directors should play no part in decisions on their own remuneration. The 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.

The Committee is authorised to carry out the duties mentioned below:

Duties

- (1) Establish a compensation strategy;
- (2) Establish compensation policies and programs;
- (3) Establish compensation levels of directors, Managing Director, presidents, top officers, and management group. (Full Board must approve compensation of directors and Managing Director);
- (4) Establish management development plans;
- (5) Establish compensation and employee benefit plans;
- (6) Administration of stock bonus plans, stock option plans; and

(7) Establishment of other executive and director compensation arrangements.

Frequency and Attendance

The Committee shall hold at least 1 regular meeting a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. The Committee may invite any person to any particular committee meeting only at its invitation, specific to the relevant meeting.

A quorum of the Committee shall be 2 members and majority of member present must be independent directors.

The Company Secretary shall be the Secretary of the Committee.

The minutes of each meeting shall be tabled at the Board Meeting of the Company.