



UNITED PLANTATIONS BERHAD

(Company no. 191701000045 (240-A))

Jendarata Estate • 36009 Teluk Intan • Perak Darul Ridzuan • Malaysia

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1.0 COMPOSITION

The Remuneration Committee shall consist entirely of Non-Executive Directors, majority of whom must be Independent Directors. It shall have at least three members and the quorum for the Committee shall be two members. The Chairman of the Remuneration Committee who must be an Independent Director and the members shall be appointed by the Board based on the recommendations of the Nomination Committee. The appointment of a Committee member terminates when the member ceases to be a Director, or as determined by the Board.

2.0 AUTHORITY

2.1 The Committee may consult the Chairman of the Board regarding proposals relating to the remuneration of Executive Directors and Senior Management. The Committee may consult other Non-Executive Directors in its evaluation of the Managing Director/Chief Executive Officer, the Executive Directors or Senior Management. The Committee may request other Directors and key Executives to participate in Committee Meetings, as necessary, to carry out the Committee's responsibilities.

2.2 The Committee shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board and at the cost of the Group. The Committee is authorized by the Board to obtain external legal or other professional advice, as well as information about remuneration practices elsewhere. The Committee may, if it thinks fit, secure the attendance of external advisers with relevant experience and expertise. No Director or Executive shall take part in decisions involving his/her own remuneration.

3.0 SCOPE AND FUNCTIONS

The scope and functions of the Remuneration Committee shall include the following:-

3.1 To establish and recommend to the Board the remuneration structure and policy for Executive Directors and Senior Management including the terms of employment or contract of employment/service, benefits, pension or incentive scheme entitlement, bonuses, fees and expenses and any compensation payable on the termination of the service contract by the Company and/or the Group and to review for changes to the policy, as necessary.

3.2 To review the Executive Directors' and Senior Management goals and objectives and to assess his/her performance against these objectives as well as contribution to the corporate strategy.

3.3 To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration setting forming a significant proportion of the total remuneration package of Executive Directors and Senior Management.

3.4 To review the fees, benefits and allowances of Non-Executive Directors for recommendation to the Board to table for shareholders' approval.

3.5 To consider other matters as referred to the Committee by the Board.

4.0 FREQUENCY AND ATTENDANCE

4.1 The Committee shall meet at least once a year or when the employment contracts of the executive directors are due for renewal or when considered necessary by the Committee or Chairman of the Committee.

4.2 The quorum of the Committee shall at least be two (2) members, majority of whom comprise of Independent Directors. In the absence of the Chairman of the Committee, the members present shall elect one of their number who is an Independent Director to chair the meeting.

4.3 Matters arising at any meeting shall be decided by a majority vote, each member having one (1) vote. In the event of equality of votes, the Chairman of the Committee shall have a casting vote. However, at meetings where two (2) members are present or when only two (2) members are competent to vote an issue, the Chairman will not have a casting vote.

4.4 The Secretary of the Committee shall be appointed by the Committee from time to time. The Committee meeting agenda shall be the responsibility of the Committee Chairman with input from the Committee members. The Chairman may also ask management to participate in this process.

4.5 The Notice and agenda for each meeting shall unless otherwise agreed to by the members, be circulated at least seven (7) days before each meeting to the Committee members and all those who are required to attend the meeting.

4.6 The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the Committee meeting shall be circulated to all Board members.

4.7 The Committee, through its Chairman, shall report to the Board at the next Board of Directors' meeting after each Committee meeting. When presenting any recommendation to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision. The Committee shall provide such information to the Board as necessary to assist the Board in making a disclosure in the Annual Report in accordance with the Principles of the Malaysian Code on Corporate Governance and the Bursa Listing Requirements.

4.8 The Chairman of the Committee shall be available to answer questions about the Committee's work at the Annual General Meeting of the Company.

REVISION AND UPDATES

This Terms of Reference will be reviewed every year in December. Any intervening changes or additions will be by way of circular and memos.