

TRANSOCEAN HOLDINGS BHD (36747 U)

REMUNERATION COMMITTEE

TERMS OF REFERENCE

Objective

To recommend to the Board of Directors the framework and quantum values for the executive directors' remuneration and its cost, the remuneration package for each executive director, including those serving in subsidiary companies.

Composition

The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of no fewer than 3 members, wholly or mainly of non-executive directors.

The Chairman of the Committee shall be appointed among the members of the Committee and must be a non-executive director.

Meetings

The Committee shall meet as and when is required. A quorum shall consist of two (2) members.

The Company Secretary shall be the secretary of the Committee.

Authority

The Committee is authorised by the Board to obtain outside professional advice from external consultant and appropriate survey data on the remuneration practices of comparable companies whenever deemed necessary.

Duties

- To review, deliberate and recommend the annual salaries, incentive arrangements, service arrangements and other employment condition for the executive directors.
- To determine the company's remuneration policy and arrangements on executive directors.
- To review such a policy on a yearly basis and make any adjustments as deemed necessary to ensure the Group can attract and retain executives of the necessary quality in a highly and increasingly marketplace.

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- To review, with the executive directors if necessary, their job functions and to ensure that any remuneration commensurate with performance and the executive director does not participate in decisions in his own remuneration packages.
- To review the remuneration arrangements of the executive directors to be in line with the Group's overall practice on pay and benefits in order to reward them competitively after taking into account performance, market comparisons and competitive pressures in the industry.

This Revised Terms of Reference of the Remuneration Committee was adopted by the Board of Directors with effective from 1 January 2011.