



MMS VENTURES BERHAD
(Company No. 647125 - P)
(Incorporated in Malaysia)

REMUNERATION COMMITTEE TERMS OF REFERENCE

INTRODUCTION

This Remuneration Committee's Terms of Reference sets out the requirements of the Board of Directors of MMS Ventures Berhad (MMSV) towards the establishment of a Remuneration Committee and the delegation of responsibilities to the Committee, as at the date hereof.

OBJECTIVE

The Remuneration Committee was established by the Board of Directors ("Board") and its purpose is to assist the Board to establish formal and transparent remuneration policies and procedures for Executive Directors and to determine, review and recommend to the Board, the remuneration packages of Executive Directors, Non-Executive Directors and Senior Management or Principal Officers.

TERMS OF REFERENCE

1.0 Composition

- (a) The Remuneration Committee ("Committee"), consisting exclusively of Non-Executive Directors, a majority of whom must be independent non-executive directors, shall be appointed by the Board from among themselves, and shall comprise not less than three (3) members.
- (b) The appointment of a member of the Committee shall automatically be terminated, if the member ceases for any cause to be a director, or as determined by the Board.
- (c) The members of the Committee shall elect a Committee Chairman from among themselves, who shall be a Non-Executive Director. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting.

2.0 Meetings

(a) Frequency

The Committee shall meet at least once a year and at such other times as it deems necessary to fulfil its responsibilities.

(b) Quorum

A quorum necessary for the transaction of business shall be two (2) members who are Non-Executive Directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

(c) Secretary

The Company Secretary shall be the Secretary of the Committee or in her absence, another person authorised by the Chairman of the Committee.

(d) Attendance

Only the Chairman and members of the Committee shall be entitled to participate at Committee meetings. Other individuals, including the Chief Executive Officer, any Executive Director or Non-Executive Director, the Head of Human Resources and/or Finance & Accounting and any other relevant advisers may be invited to attend all or part of any committee meeting as and when appropriate.

(e) Meeting Procedure

i. Notice of Meetings

- Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chairman or any member of the Committee.
- Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than five (5) days before the date of the meeting.
- Meetings of the Committee may be conducted when the members of the Committee are physically present together or in the form of a video or audio conference. A member dialing in to a physical Committee meeting via a video or audio conference will be deemed to be in attendance.

ii. Voting

- All resolutions of the Committee shall be passed by a simple majority vote, each member having one vote. In case of an equality of votes, the Chairman of the Committee shall have a second or casting vote.
- A member of the Committee is required to abstain from deliberations and voting in respect of any resolution or any matter which may give rise to an actual or perceived conflict of interest situation.

iii. Minutes of Meetings

- The Secretary of the Committee shall record all proceedings and resolutions and document all actions of all Committee meetings.

- The minutes of Committee meetings shall be circulated to all members of the Committee and shall be available to all other members of the Board unless in the opinion of the Committee Chairman, it would be inappropriate to do so.
- The minutes of Committee meetings shall be maintained by the Secretary and kept at the Registered Office of the Company and shall be available for inspection by any member of the Committee, the Board, and other persons deemed appropriate by the Secretary and with the approval of the Chairman of the Committee.

iv. Circular Resolutions

The Committee may pass circular resolutions in writing, signed by all the members of the Committee, which shall be valid and effectual as if it was passed at a meeting of the Committee duly convened and held. Such resolutions may consist of several documents in like form each signed by one or more members.

3.0 Reporting Procedure

- (a) The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendations of the Committee.
- (b) The Committee, through its Chairman, shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall make such recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- (c) An Executive Director shall abstain from participating in the discussion and voting in respect of his own remunerations. The remuneration and entitlements of the Non-Executive Directors shall be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his remuneration.

4.0 Authority

The Committee is authorized by the Board to discharge its duties within these terms of reference. The Committee, in performing its duties shall:

- (a) be provided with sufficient resources to undertake its duties;
- (b) have full and unrestricted access to any information pertaining to the Company & Group, including the authority to seek any remuneration related information from any senior management, employees, company officers and external parties; and
- (c) with the approval of the Board, be authorized to obtain such independent professional advice including legal advice on matters within its terms of reference and to secure the attendance of outsiders with relevant expertise or experience as it considers necessary.

5.0 Duties and Responsibilities

The duties and responsibilities of the Committee are as follows:

- (a) To determine and agree with the Board on the remuneration framework or policy for Executive Directors and Senior Management, ensuring that remuneration is set at a competitive level to attract and retain high caliber individuals, to provide adequate motivational incentive for them to pursue long term growth and success with the Company as well as structured to support the overall business strategies and long-term objectives of the Company.
- (b) Within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive Officer, as appropriate, to review and recommend to the Board:
 - the annual total remuneration packages of the Executive Directors and Senior Management which includes guaranteed pay, short and long term incentives and benefits in kind; and
 - the annual performance bonus for Executive Directors and Senior Management, having regard to their achievements against the performance criteria and the quantum and basis of bonus payments to the Management and staff of the Company.
- (c) To review and recommend to the Board the remuneration of Non-Executive Directors, ensuring that the fees and allowances payable reflect their experience and level of responsibilities undertaken individually, time commitment required and their contribution to the effective functioning of the Board.
- (d) To review the Group's compensation policy, to ensure alignment of compensation to corporate performance, and that compensation offered are in line with market practice.
- (e) To review and endorse for Board's approval, terms of employment or service agreements for Executive Directors, Non-Executive Directors (if any) and Senior Management.
- (f) To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

6.0 Review

The Committee shall, arrange periodic reviews of its own performances and the terms of reference of the Committee to ensure that it is operating effectively and, if relevant, to recommend any changes necessary to the Board.

(Terms of Reference updated at Board of Directors Meeting held on 27 November 2017)