

MEGA FIRST CORPORATION BERHAD
TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

1. OBJECTIVE

The Committee has adopted the objective, as recommended by the Malaysian Code on Corporate Governance, to determine the remuneration for Directors and Senior Management so as to ensure that the Company attracts and retains good caliber personnel needed to run the Group successfully.

2. MEMBERSHIP

- 2.1 The Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than three (3) members.
- 2.2 The Committee shall consist of a majority of Non-Executive Directors.
- 2.3 The members of the Committee shall elect a Chairman from amongst their number.
- 2.4 If a member of the Committee resigns or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three months appoint such number of new members as may be required to make up the minimum of three (3) members.
- 2.5 The term of office and performance of the Committee and of each of its members shall be reviewed by the Board no less than once every three (3) years. However, the appointment terminates when a member ceases to be a Director.

3. MEETINGS

- 3.1 The quorum for a Committee meeting shall be at least two (2) members.
- 3.2 The Committee shall meet at least once a year and such additional meetings as the Chairman shall decide.
- 3.3 The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
- 3.4 The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.
- 3.5 The minutes of the Committee shall be made available to the Board.

4. RIGHTS AND AUTHORITY

The Committee is authorised to: -

- 4.1 Have adequate resources required to perform its duties.
- 4.2 Have full and unrestricted access to information, records and documents relevant to its activities.

5. FUNCTIONS AND DUTIES

- 5.1 To recommend to the Board the remuneration package and other terms of employment of the Executive Directors and Senior Management of the Company.
- 5.2 To recommend to the board of directors of the respective subsidiaries on the remuneration packages and other terms of employment of the chief executive officers as the Committee is designated to consider.
- 5.3 To oversee any major changes in employee remuneration and benefit structures throughout the Group.
- 5.4 To review policies governing the remuneration and promotion of senior executive officers of the Group.
- 5.5 To engage the services of consultants as the Committee shall deem necessary to fulfil its responsibilities.

6. REMUNERATION POLICY

- 6.1 The Remuneration Policy for Directors and Senior Management is designed to attract and retain directors of high calibre needed to run the Group successfully.
- 6.2 The remuneration package shall be determined based on the following principles:-
 - a. The Company's financial performance
 - b. The individual's performance, responsibility and experience
 - c. The nature of business of the Company
- 6.3 The Remuneration Committee shall review annually or when need arises, and the Board approves the remuneration package for Directors and Senior Management staff, based on the following components:-
 - a. Non-Executive Directors
 - i. Annual Directors' fees for the Board and other Board Committees, which they are a member.

- ii. Meeting allowance for Board, Board Committee and general meeting they attend.

 - iii. Employee Share Option Scheme

 - iv. Other terms of directorships as and when arises.
- b. Executive Directors and Senior Management
- i. Basic salaries and any increments (as a percentage of basic salary)

 - ii. Annual bonuses

 - iii. Fringe benefits-in-kind (if any), such as club memberships, company car, medical and insurance benefits, outstation/overseas allowance.

 - iv. Other terms of employment as and when arises.

This Terms of Reference of Remuneration Committee was adopted and approved by the Board of Directors on 27 March 2018.

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