

MENTIGA CORPORATION BERHAD
(Company No: 10289-K)

REVISED TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

1.0 PURPOSE

The Remuneration Committee (“RC”) is established as a committee of the Mentiga Corporation Berhad (“MCB” or “the Company”) Board of Directors (“the Board”) with the following primary objectives:

- 1.1 To establish a formal and transparent procedure for developing remuneration policy for the Directors, Managing Director (“MD”) and senior management and ensuring that compensation is competitive and consistent with the Company’s business strategy and long-term objectives;
- 1.2 to provide assistance and to recommend to the Board the remuneration framework for the Non-Executive Directors and Non-Executive Chairman; and
- 1.3 To set the policies and procedures on the remuneration framework, including reviewing and making recommendations to the Board the remuneration, terms of employment and reward structure for Executive Directors, the MD and key senior management positions of the Company and Group.

2.0 MEMBERSHIP

- 2.1 The Committee shall be appointed by the Board and shall consist wholly or mainly of non-executive directors where a majority of whom shall be independent Directors.
- 2.2 The Committee shall comprise no fewer than three (3) members.
- 2.3 No Alternate Director shall be appointed as a member of the Committee.
- 2.4 The appointment of a Committee member shall automatically be terminated if the member ceases for any cause to be a director, or as determined by the Board.
- 2.5 The Board shall elect a Chairman from among the members of the Committee who shall be a non-executive director.
- 2.6 In the absence of the Chairman of the Committee, the members present shall elect one of their number to chair the meeting.
- 2.7 If a member of the Committee resigns, dies, is incapacitated 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 (3) months appoint such number of new members as may be required to make up the minimum of three (3) members.

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3.0 MEETINGS

3.1 Frequency

3.1.1 The Committee shall meet at least once a year and at such other times as the Chairman of the Committee considers necessary or appropriate; and

3.1.2 Circular Resolutions signed by all the members shall be valid and effective as if it had been passed at a meeting of the Committee.

3.2 Quorum

A quorum shall be two (2) members consisting of non-executive directors.

3.3 Secretary

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

3.4 Attendance

Where there is a specific need for information or clarification on any matters, other Directors, key executives, employees or other experts or consultants if required may attend any particular meeting only at the Committee's invitation.

3.5 Reporting Procedure

3.5.1 The minutes of each meeting shall be available to all members of the Board upon request.

3.5.2 The Committee, through its Chairman, shall report to the Board at the next Board meeting after each Committee meeting.

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3.6 Meeting Procedure

The Committee shall regulate its own procedure, in particular:-

- (a) the calling of meetings;
- (b) the notice to be given of such meetings:
 - i) 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 seven (7) calendar days before the date of the meeting; and
 - ii) Reasonable time should be given for the Committee members and to other attendees as appropriate, to consider all relevant papers and materials prior to the Committee meeting.
- (c) the voting and proceedings of such meetings.
 - i) For the avoidance of conflict of interest, a member of the Committee shall abstain from participating in discussions and decisions on any matters involving him/her. Executive Directors should not be involved in deciding their own remuneration; and
 - ii) Matters arising at any meeting shall be decided by a majority vote of the members present, each member having one (1) vote. In the event of equality of votes, the Chairman of the Committee shall have a second or casting vote. However, at meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairman of the Committee will not have the second or casting vote.
- (d) the keeping of minutes - The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The minutes of the Committee, when approved by the Committee, should be circulated to the Board; and
- (e) the custody, production and inspection of such minutes.

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4.0 RIGHTS

The Committee in performing its duties shall in accordance with a procedure to be determined by the Board:

- (a) have the resources which are required to perform its duties;
- (b) have full and unrestricted access to any information pertaining to the Company;
- (c) be able to obtain independent professional advice as well as information about remuneration practices elsewhere, at the expense of the Company, in carrying out their duties; and
- (d) be able to secure the attendance of external advisers and shall have the discretion to decide who else other than its own members to attend meetings, if it thinks fit.

5.0 FUNCTIONS

5.1 The Committee shall, amongst others, discharge the following functions:

- (a) to establish and recommend a formal and transparent remuneration policy and framework for directors and key senior management taking into account the interests of other stakeholders and periodically review the remuneration framework, policies and procedures to ensure alignment with the business strategy and long term objectives of the Group, as necessary;
- (b) to implement/maintain a reward system for executive directors based on their performance against the Company's results;
- (c) to review and recommend to the Board the terms and conditions of service, remuneration, compensation and benefits package (including bonus and salary increment) of the MD position.
- (d) to review and recommend the extension of service, remuneration and compensation and benefits packages of the key senior management positions, who have reached the age of retirement.
- (e) to review and recommend the entire individual remuneration packages for each of the executive directors;

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- (f) to review the performance standards for key senior management to be used in implementing the Group's compensation programs where appropriate;
 - (g) to review the management's recommendation and if deemed appropriate, endorse for the Board's approval, the annual salary increment framework of the Group's employees, the annual bonuses and other benefits including the total quantum of payment which should be made based on the individual's performance and responsibilities with reasonable reference to the level of compensation accorded by comparable companies or industry in line with the overall performance of the Company and Group;
 - (h) to review and approve the granting of share options to the Group's executives under any employees' share option scheme or share grant scheme and to consider matters arising from implementation;
 - (i) to review any proposed employees' incentive scheme and/or amendments to the existing scheme; and
 - (j) to consider and approve compensation commitments/severance payments for senior management in the event of early termination of the employment/service contract.
- 5.2 To review its own performance and terms of reference ("TOR") at least once a year or as and when required in compliance with the regulations to ensure that the Committee is operating at maximum effectiveness and recommend any change it considers necessary to the Board for approval.
- 5.3 To carry out such other functions as may be agreed to by the Committee and the Board of Directors.
- 5.4 The determination of remuneration packages of non-executive directors, including non-executive chairman should be a matter for the board as a whole. The individuals concerned should abstain from discussion of their own remuneration.
- 5.5 To ensure the copy of this terms of reference is made available in the Company's website.