

MEGA SUN CITY HOLDINGS BERHAD
(Company No. 640850-U)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1.0 OBJECTIVE

The objective of the Remuneration Committee (“the Committee”) shall be to provide assistance to the Board of Directors (“the Board”) to determine the remuneration of board and senior management of the Company, which takes into account the demands, complexities and performance of the Company as well as skills and experience required.

2.0 MEMBERSHIP

- 2.1 The Committee, consisting wholly of non-executive directors and a majority of them must be Independent Directors, shall be appointed by the Board.
- 2.2 The Committee shall comprise no fewer than three (3) members.
- 2.3 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.
- 2.4 The members of the Committee shall elect a Chairman from among themselves who shall be a non-executive director.
- 2.5 In the absence of the Chairman of the Committee, the members present shall elect one of their members to chair the meeting.
- 2.6 In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.

3.0 MEETINGS

3.1 Frequency

The Committee shall meet at least once a year. However, additional meetings may be called at any time at the Committee Chairman’s discretion.

3.2 Quorum

A quorum shall be two members, of whom one must be an Independent Director.

TERMS OF REFERENCE OF REMUNERATION COMMITTEE (CONTINUED...)

3.0 MEETINGS (CONTINUED...)

3.3 Secretary

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

3.4 Attendance

Other Directors, key executives and employees 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.

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

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;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and
- (e) the custody, production and inspection of such minutes.

The notice of each meeting confirming the date, time, venue and agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the Remuneration Committee at least 5 business days in advance of each scheduled meeting date. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

4.0 RIGHTS

The Board as a whole determines the remuneration of the Executive and Non-Executive Directors (including Non-Executive Chairman). Individual directors abstain from discussion on their own remuneration packages. The Directors who are shareholders should abstain from voting at General Meetings to approve their fees.

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 access to any relevant information pertaining to the Company;
- (c) be able to obtain independent professional advice as well as information about remuneration practices elsewhere; and
- (d) have the discretion to decide who else other than its own members are entitled to attend meetings, if it thinks fit.

TERMS OF REFERENCE OF REMUNERATION COMMITTEE (CONTINUED...)

5.0 FUNCTIONS

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

- a) to establish and recommend the remuneration structure and policy for managing director, executive directors and senior management#, with the aim to attract, retain and motivate high calibre individuals required by the Board on long term basis and so structured as to align their interests with those of the Company and its shareholders and to review changes to the policy, as necessary;
- b) to review and recommend the individual remuneration package for each of the managing director, executive directors and senior management#, taking into account the market rates, the complexity of the Company's business so as to link rewards to the Group and individual's responsibilities and performance, drawing from external advice as necessary. The executive directors should play no part in the decisions of their own remuneration;
- c) to review indemnity and liability insurance policies for the directors and officers of the Company;
- d) to oversee the qualitative and quantitative disclosure of remuneration made in the Annual Report and notice of general meeting; and
- e) to deliver explanation to shareholders during general meetings on matters related to directors and senior management remuneration, in addition to the overall remuneration framework of the Company.

5.2 To carry out such other functions as may be agreed to by the Committee and the Board of Directors.

5.3 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.

5.4 These Terms of Reference should be reviewed annually and be amended as required, subject to the approval of the Board.