

MSM MALAYSIA HOLDINGS BERHAD

NOMINATION AND REMUNERATION COMMITTEE TERMS OF REFERENCE

I COMPOSITION

1. The Committee shall consist of at least three (3) members comprising a Chairman and two (2) members, all of whom shall be duly appointed by the Board.
2. All members shall be non executive directors with a majority of them being independent directors.
3. Subject to review by the Board, the term of appointment of the members of the Committee shall be for a period of two (2) years each or such other period as the Board in its discretion shall deem fit. Notwithstanding the foregoing, the membership of any member shall automatically terminate in the event that the member ceases to be a non executive director in accordance with paragraph 2 above.
4. The Company Secretary shall be the secretary of the Committee.

II MEETINGS

1. At least two (2) members, including the Chairman must be present during each meeting to form a quorum necessary to transact any business of the Committee.
2. Notice of Meeting will be distributed to the committee members at least one (1) week prior to the scheduled meeting.
3. Any member of the Committee may request for a special meeting at any time if so required.
4. The Secretary will distribute the minutes of meeting to all members of the Committee.
5. Other members of the Board or key management personnel or any other person may attend the meetings of the Committee on the invitation of the Committee as the Committee shall deem fit and necessary.

III. SCOPE AND FUNCTIONS OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee performs, among others, the following functions:

- (i) To assess and recommend new Directors to the Board;
- (ii) To review annually the mix of skills and experience, and other qualities to enable the Board to function completely and efficiently;
- (iii) To implement a formal appraisal process for the evaluation of the effectiveness of the Board as a whole, the committees and the individual contribution of each Board member; and
- (iv) To recommend to the Board the remuneration of all non-executive Directors (individual Directors do not participate in the discussion relating to their own remuneration);
- (v) To assess and recommend new key positions and senior executives of the Company to the Board;
- (vi) To recommend the framework remuneration policy of the Directors and key management and to determine the remuneration package for each Director and key management, if applicable; and
- (vii) To recommend incentive compensation plans to the Board.

END OF TERMS OF REFERENCE