

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. OBJECTIVE

The primary objective of the Remuneration Committee (“RC”) of MSB Global Group Berhad (“**MSB Global**” or the “**Company**”) is to assist the Board of Directors (“**the Board**”) in fulfilling its responsibility, including reviewing and recommending matters relating to the remuneration of the Board and key senior management of MSB Global and its subsidiaries and associate companies (collectively known as the “**Group**”), which comprised of fee, salaries, allowance, bonuses, incentives and benefits.

2. COMPOSITION

The RC shall comprise of not less than three (3) members appointed by the Board from amongst its Non-Executive Director members only, a majority of whom must be independent

In determining independence, the Board will observe the requirements of Independence as defined under Rule 1.01 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

In the absence of the Committee Chairperson, the remaining members present shall elect one of them to chair the meeting.

The term of office and performance of the RC and each of its members shall be reviewed by the Nomination Committee annually to determine whether the members have carried out their duties in accordance with their terms of reference.

If a member of the RC resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

3. AUTHORITY

- a) The RC shall have the authority to deliberate and approve matters within its primary duties and responsibilities as set out in this Terms of Reference; and
- b) Unless otherwise provided by or subject to any applicable laws or legislative requirements, the RC shall have the permission to obtain resources needed to fulfil its duties and responsibilities as set out in this Terms of Reference based on an agreed-upon procedure and at the expense of the Group, such as:
 - i. full and unrestricted access to information, records, properties and employees of the Group;
 - ii. the advice and support of the Company Secretary and senior management; and

- iii. to obtain professional and independent advice from external advisors with relevant knowledge and experience, as and when necessary, for the performance of its duties pursuant to Listing Requirements.

4. DUTIES AND RESPONSIBILITIES

The RC shall be responsible for the following duties and responsibilities:

- (a) To recommend a remuneration framework for the Managing Director, Executive Directors, and key senior management of the Group for the Board's approval. There should be a balance in determining the remuneration package, which should be sufficient to attract and retain Directors of caliber, and yet not excessive. The framework should cover all aspects of remuneration including the Director's fee, salaries, allowance, bonuses, incentives and benefits and take into account the complexity of the Group's business and the individual's responsibilities;
- (b) To recommend specific remuneration packages for the Managing Director, Executive Directors and key senior management. The remuneration package should be structured such that it is competitive. Salary scales drawn up should be within the scope of the general business policy and not depend on short-term performance to avoid incentives for excessive risk-taking. The remuneration should also be aligned with the business strategy and long-term objectives of the Group; and take into consideration the Group's performance in managing material sustainability risks and opportunities. As for Non-Executive Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board;
- (c) To ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of the Managing Director, Executive Directors and key senior management;
- (d) To recommend to the Board the directors' fees and/or allowances of Non-Executive Directors; and
- (e) To perform any other functions as defined by the Board.

5. MEETINGS OF THE COMMITTEE

The RC shall meet at least once a year or more frequently as deemed necessary. The Chairperson may call for additional meetings at any time at the Chairperson's discretion.

The members of the RC shall elect a Chairperson from amongst their number who shall be an Independent Non-Executive Director. In the absence of the RC Chairperson, the remaining members present shall elect one of them to chair the meeting.

Subject to the notice and quorum requirements as provided in this terms of reference, a meeting of the RC may be held and conducted through the telephone or any communication equipment, which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

6. QUORUM

The quorum for a meeting of the RC shall consist of two (2) members.

7. NOTICE OF MEETINGS

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, and an agenda of items to be discussed shall be forwarded to each member of the Remuneration Committee no later than seven (7) days before the meeting date. Supporting papers shall be sent to members and other attendees as appropriate at the same time.

8. SECRETARY AND MINUTES

The Company Secretary, his/her nominee, or other persons authorised by the Board shall act as the Secretary of the RC. The Company Secretary shall record, prepare and circulate the minutes of the RC meetings and ensure that the minutes are properly kept and produced for inspection if required.

The RC shall report to the Board and the minutes of each meeting shall be tabled to the Board for notation.

9. CIRCULAR RESOLUTION

A resolution in writing signed or approved by letter, telegram, telex, telefax or electronic means by a majority of the RC members for the time being entitled to receive notice of a meeting of the RC shall be as valid and effectual as if it had been passed at a meeting of the RC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more of the members of the RC.

10. REVIEW OF TERM OF REFERENCE

The RC shall recommend any changes to its terms of reference in such manner as it deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code of Corporate Governance, Listing Requirements or any other regulatory requirements.

It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the RC's role.

END.