**MUHIBBAH ENGINEERING (M) BHD**
Company No. 197201001137 (12737-K)
(Incorporated in Malaysia)

# REMUNERATION COMMITTEE
# TERMS OF REFERENCE

The Board of Directors of Muhibbah Engineering Berhad ("Company") had established a Remuneration Committee ("Committee") on 21st February 2002. The Committee shall be governed by the following terms of reference:

## Composition

(i) The Committee shall comprise at least three members, wholly or mainly of non-executive directors. The Chairman of the Committee, who is an independent director, shall be appointed by the Board; and

(ii) If the number of members of the Committee is reduced below three for reasons of resignation, death or otherwise, the Board of Directors of the Company shall appoint such number of new members as may be required to make up the minimum numbers of three members within a time period of three (3) months.

## Authority

The Committee is granted the authority:

(i) To have the resources which are required to perform its duties;
(ii) To be able to obtain independent professional or other advice; and
(iii) To have full and unrestricted access to any remuneration information pertaining to the Directors.

## Functions

a) To recommend to the Board the framework of Executive Directors' remuneration and the remuneration package for each Executive Director, drawing from outside advice as necessary.
b) To recommend to the Board any performance related pay schemes for Executive Directors.
c) To review Executive Directors' scope of service contracts.
d) To consider the appointment of the service of such advisers or consultants as it deems necessary to fulfil its functions.

## Meetings

The Committee is to meet at least once a year, or at any time deemed appropriate by the Board of Directors or Committee to review the remuneration of executive and non-executive directors. The quorum for any meeting of the Committee shall be two. The Committee may invite any person to be in attendance at any particular Remuneration Committee Meeting to assist it in its deliberation. Circular Resolutions signed by all the members shall be valid and effective as if it had been passed at a meeting of the Remuneration Committee.

## Secretary and Minutes

The Secretary of the Committee shall be the Company Secretary. The minutes of proceedings of the Committee shall be kept by the Secretary at the registered office of the company, and shall be open to the inspection of any member of the Committee or any member of the Board of Directors. Minutes to be tabled to the Board of Directors.