

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. OBJECTIVE

The principal objective of the Remuneration Committee is to assist the Board of Directors in its responsibilities in assessing the remuneration packages of the Executive Directors and key management personnel.

2. COMPOSITION

The Board of Directors shall elect the Remuneration Committee members from amongst themselves, comprising three (3) members, a majority of whom are independent.

The Chairman of the Remuneration Committee shall be elected from amongst the Committee members. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

3. SECRETARY

The Company Secretary of the Company shall be the secretary of the Remuneration Committee.

4. QUORUM AND VOTING

The quorum for all meetings of the Committee shall not be less than two (2) members.

All resolutions of the Committee shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the meeting shall have a second or casting vote.

5. MEETINGS

The Remuneration Committee may meet together for the despatch of business, adjourn and otherwise regulate the meetings at least once a year or more frequent as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion. A resolution in writing, signed by all the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

The Secretary shall on the requisition of the members of the Remuneration Committee summon a meeting of the Committee and, except in the case of an emergency, reasonable notice of every Committee meeting shall be given in writing.

6. AUTHORITY

The Remuneration Committee in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company:-

- 6.1 shall review, assess and recommend to the Board of Directors, the remuneration packages of the Executive Directors and key management personnel in all forms, with other independent professional advice or outside advice as necessary; and
- 6.2 shall be entitled to the services of the Company Secretary who must ensure that all decisions made on remuneration packages of the Executive Directors and key management personnel be properly recorded and minuted in the minutes book.

The proposed remuneration packages of Non-Executive Directors are to be presented to the Remuneration Committee for notation only as to be proposed to the Board and the shareholders at Annual General Meeting as relevant. The individuals concerned should abstain from discussing their own remuneration.

There should be a formal and transparent procedure for developing policy on Executive Directors' and key management personnel's remuneration and for fixing the remuneration packages of individual directors.

The Committee shall take into cognizance in its deliberations the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance, and any other pertinent regulations and laws, as well as revision which may come into force from time-to time.

7. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Remuneration Committee are as follows:-

- 7.1 Establish and recommend the remuneration structure and policy for Executive Directors and key management personnel; the terms of employment or contract of employment/service, any benefit, pension or incentive scheme entitlement; other bonuses, fees and expenses; any compensation payable on the termination of the service contract by the Company and/or the Group and to review for changes to the policy, as necessary. The Executive Directors and key management personnel should play no part in decisions involving their own remuneration;
- 7.2 Ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration forming a significant proportion of the total remuneration package of Executive Directors and key management personnel;

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- 7.3 Review and recommend the entire individual remuneration packages for each of the Executive Directors and key management personnel to ensure the levels of remuneration be sufficiently attractive and be able to retain the Executive Directors and key management personnel needed to run the Company successfully;
- 7.4 Review with the Chief Executive and the Executive Directors, their performance against these objectives as well as contribution to the corporate strategy;
- 7.5 Consider and review any renewal of service contracts of the Executive Directors as and when due, as well as any service contracts and remuneration package for newly appointed Executive Director(s) prior to their appointment;
- 7.6 Review and recommend to the Board regarding any proposed new employees' share option scheme to be given to the Directors and/or amendments to the existing scheme;
- 7.7 Consider and examine such other matters as the Committee considers appropriate; and
- 7.8 Consider other matters as referred to the Committee by the Board.