

**SMIS Corporation Berhad
(Company No. 491857-V)**

Directors' Remuneration Policy

1. Introduction

This policy sets out the criteria to be used in recommending the remuneration package of Directors and Chief Executive Officer (“CEO”) of SMIS Corporation Berhad (“SMIS” or the “Company”) and is in line with the best practice provisions of the Malaysian Code on Corporate Governance (MCCG) 2012.

2. Objectives

2.1. This policy is designed to:

- 2.1.1. Determine the level of remuneration package of Directors and CEO;
- 2.1.2. Attract, develop and retain high performing and motivated Directors and CEO with a competitive remuneration package;
- 2.1.3. Provide a remuneration such that the Directors and CEO are paid a remuneration commensurate with the responsibilities of their position; and
- 2.1.4. Encourage value creation for the Company and its Stakeholders.

3. Remuneration Components

3.1. Fixed Remuneration for CEO and Executive Directors

3.1.1. The fixed salary is determined according to:

- The scope of the duty and responsibilities;
- The conditions and experiences required;
- The ethical values, internal balances and strategic targets of the Company;
- The corporate and individual performance; and
- Current market rate within the industry and in comparable companies.

3.2. Bonus

The bonus in the case of CEO and Executives Directors is designed to reward outstanding performance. The bonus is granted to reflect the CEO and Executive Directors' performance as well as Group results. A discretionary assessment is made to ensure that all factors which include measurable and not directly measurable are considered.

3.3. Fixed Fee for Members of Board of Directors

3.3.1. The fixed fee is determined according to:

- On par with the rest of the market;
- Reflect the qualifications and contribution required in view of the Group's complexity;
- The extent of the duty and responsibilities; and
- The number of Board meetings

3.4. Other Benefits and Allowances

The benefits and allowances which should be decided by the Board as a whole include:

3.4.1. Chairman's allowance;

3.4.2. Meeting allowance;

3.4.3. Expenses incurred in the course of their duties as Directors; and

3.4.4. Benefit in kind such as motor vehicle, petrol, driver and accommodation.

4. Periodic Review and Disclosure

4.1. The Remuneration Committee should conduct a periodic review of the criteria to be used in the recommending the remuneration package of Directors and CEO. The Remuneration Committee should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.

4.2. The Board should disclose this policy in the annual report.

This policy is dated 30 April 2013.