

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

Term of Reference for Remuneration Committee

1. Introduction

The Remuneration Committee (the “Committee”) of SMIS Corporation Berhad (“SMIS” or the “Company”) was formed by the Board of Directors of the Company. Its primary function, in line with the Malaysian Code on Corporate Governance 2012, is to recommend to the Board the remuneration package of Executive Directors and Non-Executive Directors of the Company and its subsidiaries (the “Group”) to attract, retain and motivate Directors.

2. Membership

- 2.1. The members of the Remuneration Committee shall comprise wholly or mainly of Non-Executive Directors and number at least three (3) in total.
- 2.2. The Chairman of the Committee shall be a Non-Executive Director appointed by the Board.
- 2.3. The quorum of the Committee shall be at least two (2) members.
- 2.4. The members will be appointed by the Board and will remain members until there is a change.

3. Attendance

The Chief Executive may be invited to attend meetings to discuss the performance of Executive Directors and make proposals as necessary. Executive Directors should play no part in decisions on their own remuneration.

The Committee may appoint external consultants to aid the Committee in the discharge of its duties.

4. Frequency of Meetings

Meetings shall be held at least once a year. More meetings may be conducted if the need arises.

5. Secretary

The Secretary of the Company shall be secretary (the “Secretary”) of the Committee.

6. Duties

The duties of the Committee shall be to recommend to the Board the remuneration of Executive Directors and Non-Executive Directors in all its forms and to review the Group's Remuneration policies and procedures which should be disclosed in the Annual Report. The level of remuneration should be aligned with the business strategy and long-term objectives of the Company, complexity of the Company's activities, and reflects the experience and level of responsibilities undertaken by the Executive Directors.

The determination of remuneration packages of Executive Directors and Non-Executive Directors, including Non-Executive Chairman, should be a matter for the Board as a whole where the individuals concerned shall abstain from discussion of their own remuneration.

7. Advisers

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the Group as and when it considers this necessary, at the expense of the Company.

8. Minutes

The Minutes of meetings of the Committee shall be circulated to all members of the Board.

This Term of Reference is dated 30 April 2013.