

MAXIS BERHAD

[Registration No. 200901024473 (867573-A)]

REMUNERATION COMMITTEE TERMS OF REFERENCE

This Remuneration Committee (“Committee”) was established pursuant to the resolution passed on 9 September 2009 by the Board of Directors and the Constitution of Maxis Berhad (“Maxis” or “the “Company”). The Remuneration Committee and the Board of Directors shall annually review and update the Terms of Reference for the Committee.

1. Status

The Committee is a committee of the Board of Directors (“Board”) of Maxis.

2. Composition

- a) The Committee shall be appointed by the Board from amongst its members and shall comprise of no fewer than three (3) members, who are solely non-executive directors, the majority of whom shall be independent directors. In determining independence, the Board will observe the requirements of Paragraph 1.01¹ of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), and any relevant Practice Notes that may be issued by Bursa Securities from time to time.

¹ Under Paragraph 1.01 (to be read together with Practice Note 13) of the MMLR of Bursa Securities, an independent director is a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interests of the Maxis Group and who:

- (a) is not an executive director of the Company or any of its related corporations (“said Corporation”);
- (b) is not and has not been within the last 3 years an officer (except as an independent director) of the said Corporation (“officer” has the meaning given in Section 2 of the Companies Act 2016);
- (c) is not a major shareholder of the said Corporation;
- (d) is not a family member of any executive director, officer or major shareholder of the said Corporation;
- (e) is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
- (f) has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Securities or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by Bursa Securities; or
- (g) has not engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities.

- b) The members of the Committee shall elect from among their number a Chairman who is an independent non-executive director.
- c) Where the members for any reason are reduced to less than three (3), the Board shall within three (3) months of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.
- d) The Board may increase or reduce the number of members of the Committee as they deem fit provided that majority independent members are retained.
- e) All members shall hold office only for so long as they serve as directors of the Company.
- f) Members of the Committee may relinquish their membership in the Committee with prior written notice to the Secretary and may continue to serve as directors of the Company.
- g) The Secretary of the Committee shall be the Company Secretary or any person as the members of the Committee may agree, to be appointed as the Secretary of the meeting.

3. Meeting and Minutes

- a) The Committee shall meet as and when required upon request by the Chairman or any members, provided that the Committee shall meet at least once a year or more frequently as deemed necessary.
- b) The Chairman of the Committee, or the Company Secretary on the requisition of the members, shall at any time summon a meeting of the members by giving three (3) days' notice or any other shorter period as may be agreed by the members amongst themselves.
- c) No business shall be transacted at any meeting of the Committee unless a quorum is present. The quorum for each meeting shall be two (2) members of the Committee including the Chairman.
- d) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day of the following week, and at the same time and place, or to such other day and at such other time and place as the members may determine. If at such

adjourned meeting a quorum is not present within fifteen (15) minutes from the time appointed for holding the meeting, the meeting shall be dissolved.

- e) Attendance at a meeting may be by being present in person or by participating in the meeting by means of video or teleconference or any other electronic means of audio or audio-visual communications or a combination of both.
- f) An executive director or non-executive director shall abstain from deliberations and voting in respect of his remuneration at the Committee level and Board level. However, such director may attend the Committee meetings on the invitation of the Chairman of the Committee if his presence is required.
- g) The Committee may at its discretion and as the need arises, invite one or more persons, including other directors, executives and/or outside professionals, to attend the meeting. Invitees may be required by the Chairman to leave the meeting of this committee when open discussion might be inhibited by their presence.
- h) Conflicts of Interests
The Chairman and other Committee members must ensure that they are not in a conflict of interests situation in respect of any action, submission, request and/or proposal being considered, evaluated and/or recommended by the Committee. Where there is a conflict of interests, he/she must declare such conflict of interests and abstain from voting on the matter. Where the Chairman is in conflict, the other Committee members present shall appoint, through simple majority, one of them present at the meeting to preside over the particular meeting as ad hoc chairman.
- i) Minutes of each meeting shall be made available to each member of the Committee and the Board. Minutes of each meeting shall be kept at the registered office of the Company under the custody of the Company Secretary. The minutes may be opened for the inspection of the Board, external auditors, internal auditors, senior management and other persons deemed appropriate by the Company Secretary.
- j) The Chairman shall provide to the Board a summary of the proceedings after each meeting.
- k) The Committee may deal with matters by way of circular resolutions in lieu of convening a formal meeting and to be endorsed by majority of members.

- l) All recommendations and findings of the Committee shall be reported to the Board for information and/or approval if required

4. Duties

The duties of the Committee are as follows:

- a) To review the remuneration policy and framework for directors including executive directors and/or the Maxis management team comprising key senior executives (MMT) including the Chief Executive Officer (“CEO”) and to ensure that the procedures for the establishment of the policy and framework are fair and transparent.
- b) To review the remuneration and terms of service of executive directors and/or the MMT including the CEO and to ensure the remuneration packages (including but not limited to bonuses, incentive payments, share options and other share awards) are competitive, performance based, and reflective of their contributions to the Company’s growth and profitability, in line with corporate objectives and strategies and that is to retain the right talent in Board and senior management to drive the Group’s long-term objectives.
- c) To review and establish performance targets that are consistent with the interests of shareholders of the Company, with an appropriate balance between short term and long-term goals.
- d) To evaluate and review the performance, key performance indicators and remuneration for executive directors and/or MMT including the CEO, on a yearly basis, and make appropriate recommendations to the Board.
- e) To review the overall effectiveness of the Company’s performance measurement and reward measurement.
- f) To review the design of all share incentive plans for approval by the Board and shareholders where required. For any such share incentive plans, to determine on a yearly basis, or any other interval on whether awards will be made and if so, the overall amount of such awards, the individual awards to executive directors, CEO and MMTs and the performance targets to be used.
- g) To be authorised as a Share Incentive Committee under the By Laws of the applicable Long Term Incentive Plan to review and approve awards under incentive-compensation plans, employee share option schemes and other

equity-based or share incentive plans of the Company that apply to Directors and employees, with reference to:-

- i) the overall financial performance of Maxis relative to the business plan agreed by the Board;
 - ii) the competitiveness of the share incentive plans;
 - iii) the individual contribution and strategic importance of current and potential key senior employees;
 - iv) changes in the regulatory framework governing share options grants and other shares-related awards to employees; and
 - v) the LTIP Bye-Laws (as defined herein) of Maxis as approved by the shareholders.
- h) To oversee on a yearly basis the salary increments and bonus of the MMT.
- i) To oversee the overall bonus structure of the Company and to set broad targets.
- j) To review the overall organisation structure design at the strategic level.
- k) To oversee key human resource policies and guidelines to ensure they are in line with corporate objectives and strategy.
- l) To assist the Board in ensuring that an appropriate succession planning framework are in place for CEO and the MMT and that human capital development programme including continuing technical and business education are in place for this purpose. Note: The Committee is responsible to ensure there's a succession planning framework in place for the CEO and the MMT. The Nomination Committee is responsible for making recommendations for the appointments of directors and CEO to ensure that the appointments are made with due consideration of paragraph 2.20A of the MMLR.

In discharging its duties, the Committee shall at all times be mindful of the provisions of the MMLR, Malaysian Code on Corporate Governance 2017 and all applicable laws, regulations and guidelines including any amendments thereto.

5. Determination of remuneration of directors, CEO and MMT

- a) The determination of the remuneration of the executive directors, CEO and MMT will be a matter to be decided by the Board as a whole. The mechanism for remuneration is structured in a manner wherein an individual is rewarded based on the Company's performance and also individual performance.
- b) The remuneration of non-executive directors is subject to shareholders' approval in accordance with provisions of the Companies Act 2016.
- c) The Committee shall review and recommend to the Board the level of remuneration that commensurate with each of their responsibilities, time commitment, experience, qualification, expertise and the complexity of the Company's activities before the same be tabled for approval by the shareholders. The remuneration should be in line with market practice, aligned with the business strategy and short and long-term objectives of the Company and based on performance.

6. Remuneration Procedures

- a) The Committee recommends to the Board, the policy and framework of the Directors' remuneration and the remuneration package for the executive directors including the CEO and the MMTs.
- b) In recommending the Group's remuneration policy, the Committee may receive advice from external consultants. It is nevertheless the ultimate responsibility of the Board to approve the remuneration of the executive directors and the CEO.
- c) In determining the bonus, the Committee reviews the performance based on the scorecards of the executive directors including the CEO and the MMTs which specify their achievements and results of KPIs for Corporate Goal (financial and business KPIs), Individual Priorities (operational KPIs) and Employee Development.
- d) Directors including the CEO and MMTs do not participate in decisions regarding their own remuneration package.
- e) In determining the remuneration and incentive for independent directors, the Committee shall ensure that remuneration and incentive will not conflict with their obligation to bring objectivity and independent judgment, in the best interests of Maxis.

7. Powers of the Committee

- a) In general, the Committee shall not have delegated powers from the Board to implement its recommendations but shall be obliged to report its recommendations to the Board for consideration and implementation.
- b) The Committee is authorised by the Board to administer the Company's Long Term Incentive Plan (LTIP) established in 2015 (made up of the Performance Share Scheme and the Restricted Share Scheme), and to decide on all relevant matters incidental thereto in accordance with the bye-laws regulating the LTIP (LTIP Bye-Laws) including, but not limited to, the power to determine the criteria to be applied in determining the actual entitlements of an eligible employee, to determine the list of eligible employees and to determine and grant the offers and/or awards to eligible employees, except for allocations to directors whose allocations shall be reviewed and recommended by the Remuneration Committee and then approved by the Board as a whole, with the relevant individual director abstaining in respect of his individual allocation and are subject to the approval of the shareholders of the Company at a general meeting.
- c) The Committee shall also be authorized to do all necessary action with regard to giving effect to the LTIP Bye-Laws.
- d) In carrying out its duties and responsibilities, the Committee shall have:
 - i) full, free and unrestricted access to any information, records, properties and personnel of the Group; and
 - ii) the power to obtain independent professional advice and expertise necessary for the performance of its duties.
- e) The Committee shall seek the assistance of relevant members of the Maxis management team if required.
- f) The Committee shall have access to the advice and services of the Company Secretary.

8. Disclosure

The Committee will ensure that all aspects of the LTIP are properly disclosed to the relevant authorities, shareholders and in the annual report in accordance with:-

- i) the relevant regulatory requirements; and
- ii) Maxis' internal corporate governance standards.