

MBM Resources Berhad

Long Term Incentive Plan Committee

Terms of Reference

COMPOSITION AND TERMS OF REFERENCE

1. Members

The LTIP Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than three members, two of whom are independent and all of whom are non-executive directors.

No Alternate Director shall be appointed as a member of the LTIP Committee. The Board of Directors shall review the terms of office and performance of its members once every year to determine whether they have carried out their duties in accordance with their terms of reference.

Should a vacancy in the LTIP Committee occur resulting in the non-compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board shall fill the vacancy within 3 months from the date of the vacancy.

2. Chairman

The Chairman shall be appointed by the members of the LTIP Committee from amongst the members.

3. Secretary

The Secretary or their nominee shall act as the secretary of the LTIP Committee.

4. Meetings

The LTIP Committee shall meet at least two times a year, or more frequently, at its discretion. The Managing Director (MD) and the head of Human Resources will normally attend these meetings. Other Board members and members of the Group's management may attend meetings upon the invitation of the LTIP Committee.

The secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance. Draft minutes of committee meetings shall be circulated promptly to all members of the committee.

The LTIP Committee meeting may be held at one (1) or more venues within or outside Malaysia using any technology that enable the LTIP Committee as a whole to participate for the entire duration of the meeting, and that all information and documents for the meeting must be made available to all members prior to or at the meeting.

5. Quorum

A quorum shall be two members, one of whom shall be the Chairman of the LTIP Committee, and at least one Independent Non-Executive Director.

6. Resolutions at Meetings

All resolutions passed at a meeting of the LTIP Committee must be carried by a unanimous vote of the members present and voting in favour of the resolutions.

7. Notice of Meetings

Meetings of the LTIP Committee shall be called by the Secretary at the request of the committee Chairman.

Unless otherwise agreed, reasonable notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the LTIP Committee and any other person required to attend. Supporting papers shall be sent to the LTIP Committee Members and other attendees as appropriate, at the same time. The notice of each meeting shall be served to the member either personally or by fax or e-mail or by post or by courier to his registered address as appearing in the Register of Directors or to the address provided by the LTIP Committee member, as the case may be.

8. Authority

The LTIP Committee is authorised by the Board of Directors to review any activity within its terms of reference. The LTIP Committee is authorised to seek any information it may require from any director or member of management and it has full and unrestricted access to any information pertaining to the Group.

The LTIP Committee shall obtain external professional advice and secure the attendance of outsiders with the relevant experience if deemed necessary, the expense of which will be borne by the Company.

9. Attendance of General Meeting

The LTIP Committee chairman shall attend the annual general meeting (including extraordinary general meetings) to answer any shareholder questions on the committee's activities, in particular on areas pertaining to proposed resolutions for shareholders to consider on LTIP.

10. Circular Resolutions

A resolution in writing signed or approved via letter, telex, facsimile, email by all the LTIP Committee members shall be effective for all purposes as a resolution passed at a meeting of the LTIP Committee duly convened, held and constituted. Any such resolution may be contained in a single document or may consist of several documents all in the like form signed by one or more members.

RESPONSIBILITIES AND DUTIES

The responsibilities and duties of the LTIP Committee are to:

- exercise all the powers and undertake the duties and responsibilities stated in the LTIP By-Laws and the LTIP Trust Deed as being vested in the LTIP Committee;
- report its activities, including how it has discharged its responsibilities, to the Board on a regular basis and promptly provide to the Board copies of the minutes of meetings of the LTIP Committee;
- undertake other duties as requested by the Board from time to time;
- arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

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