

MERCURY INDUSTRIES BERHAD

NOMINATION COMMITTEE

TERMS OF REFERENCE

Membership

1. The Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise of not less than three (3) members, comprising exclusively of non-executive directors, majority of whom are independent. A quorum for meeting shall be two (2) members.
2. The members of the Committee shall elect a Chairman from amongst their members. In the absence of the Chairman of the Nomination Committee, the remaining members present shall elect one (1) of their members to preside as the chairman of the meeting.
3. The Secretary to the Nomination Committee shall be the Company Secretary.
4. If a member of the Committee resigns, dies or for any other reason ceases to be a member resulting in the number of members reduced below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

Meetings and Minutes

1. The Nomination Committee shall meet at least once a year or at such other times as the Chairman of the Committee deemed necessary.
2. Minutes of each meeting shall be tabled to the Board for notation.
3. The Chairman of the Committee shall be entitled, where deemed appropriate, to invite any other person to a meeting of the Committee at which that person's expertise may be required having regard to the subject matter to be discussed.
4. A circular resolution in writing signed by the members of the Committee who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the Committee and shall include signed copies via legible facsimile transmission or other written electronic means.
5. Any member of the Committee may participate in any meeting of the Committee via telephone conferencing, video conferencing or by means of any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

Functions & Duties

1. Review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary.
2. Propose new candidate for appointment to the Board of Directors.
3. Recommend to the Board, Directors to fill the seats on Board committees.
4. Assess Directors on an annual basis, including the chief financial officer or any such person in similar capacity (where applicable); the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director.
5. Review annually the Board's mix of skills and experience and other qualities including core competencies which non-executive directors should bring to the Board.
6. Review on an annual basis the term of office and performance of the Audit Committee and each of its members in carrying out their duties in accordance with the terms of reference of the Audit Committee.
7. Recommend to the Board for the continuation (or not) in service of Executive Director(s) and Directors who are due for retirement by rotation and/or re-appointment.
8. Orientate and educate new director(s) as to the nature of the business, current issues within the Company and the corporate strategy, the expectations of the Company concerning input from the director(s) and the general responsibilities of directors.
9. Determine appropriate training for Directors, review the fulfillment of such training, and disclose details in the annual report as appropriate.
10. Formulate, develop, maintain and review criteria to be used for selection and recruitment process, annual assessment of Directors including assessment of independence.
10. Review succession plans for the Board and/or senior management, where appropriate.
11. Consider other matters as referred to the Committee by the Board.

Reporting Procedures

1. The final decision as to who shall be appointed to the Board shall be the responsibility of the full Board after considering the recommendations of the Committee.
2. The Committee reports to the full Board from time to time its recommendations for consideration and implementation.