

MERCURY INDUSTRIES BERHAD

REMUNERATION COMMITTEE

TERMS OF REFERENCE

Membership

1. The Remuneration Committee shall be appointed by the Board from amongst the Directors consisting wholly of non-executive directors, with a majority of them being independent. It shall consist of not less than three (3) members.
2. The members of the Remuneration Committee shall elect a Chairman from amongst their numbers. The Chairman shall be an Independent Non-Executive Director.
3. In the absence of the Chairman of the Remuneration Committee, the remaining members present shall elect one (1) of their numbers to chair the meeting.
4. The Secretary to the Remuneration Committee shall be the Company Secretary.
5. 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 Remuneration Committee shall meet at least once a year or at such other times as the Chairman of the Committee deemed necessary.
2. Two (2) members shall form a quorum for meetings.
3. Minutes of each meeting shall be tabled to the Board for notation.
4. 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.
5. 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.
6. 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. To recommend to the Board the following remuneration framework, and to review the same from time to time:
 - (i) In the case of Executive Directors, the package components should be structured so as to link remuneration/rewards to corporate and individual performance.
 - (ii) In the case of Non-Executive Directors, the level of remuneration should reflect the experience and level of responsibility undertaken by such Directors.
2. To review Executive Directors' scope of service contracts, where applicable.
3. To consider the appointment of the services of such advisers or consultants as it deems necessary to fulfill its functions.
4. To consider other matters as referred to the Committee by the Board.

Reporting Procedures

1. The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendations of the Committee.
2. Affected Directors do not participate in discussion on their own remuneration.