

INDUSTRONICS BERHAD
Registration No. 197501001969 (23699-X)
(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. NAME

The name of this Committee shall be called the Remuneration Committee.

2. OBJECTIVES

The principal objectives of the Remuneration Committee (the “Committee”) are to develop and formulate a transparent policy on the remuneration of Directors, and to set the remuneration package of the individual Director based on objective evaluation of merits.

3. COMPOSITION

The Committee shall be appointed from amongst the Board and shall comprise no fewer than three (3) members, and shall comprise exclusively of Non-Executive Directors and majority of them must be independent directors.

4. CHAIRMAN

The Chairman of the Committee shall be elected amongst the members of the Committee and shall be a Non-Executive Director. The Chairman shall chair all meetings of the Committee other than matters concerning him/herself.

5. RETIREMENT AND RESIGNATION

In the event of any vacancy with the result that the number of members is reduced to below three (3), the vacancy shall be filled within three (3) months thereof. Therefore, a member of the Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before the Director leaves.

6. SECRETARIES

The Company Secretaries shall be the Secretaries of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

7. MEETINGS

The Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman’s discretion. The Secretary shall on the requisition of the members of the Committee summon a meeting of the Committee and except in the case of an emergency, reasonable notice of every

Committee meeting shall be given in writing.

Other Board members and/or employees may attend the Committee meeting upon invitation of the Committee.

8. MINUTES

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Committee and also to the other members of the Board. The Committee Chairman shall report on the proceedings of each meeting to the Board.

The minutes of the Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

9. QUORUM

A quorum shall consist of two (2) members.

10. CIRCULAR RESOLUTION

A resolution in writing signed by a majority of the Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more Committee members. Any such document may be accepted as sufficiently signed by an Committee member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a Committee member.

11. REPORTING

The Committee shall report to the Board of Directors, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The Committee shall report to the Board of Directors on any specific matters referred to it by the Board.

The Company Secretary shall circulate the minutes of the Committee to all members of the Board.

12. AUTHORITY

The Committee, in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company,

- (a) shall seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

- (b) shall have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
- (c) shall have the authority to make decisions on matters which fall within the purpose and responsibilities of the Committee.
- (d) shall be entitled to obtain outside legal or other independent professional advice and to secure the attendance of advisors with relevant experience and expertise if it considers this necessary.

13. DUTIES AND RESPONSIBILITIES

The broad duties and responsibilities of the Committee are:-

- (a) To determine and recommend to the Board the framework or broad policy for the remuneration, in all forms, of the Executive Directors and senior management and/or any other persons as the Remuneration Committee is designated to consider by the Board, drawing from outside advice as necessary.
- (b) To determine and recommend to the Board any performance related pay schemes for the Executive Directors and senior management and/or any other persons as the Remuneration Committee is designated to consider by the Board. The remuneration package should be based on assessment, taking into account the areas of:
 - technical competency, skills, knowledge, expertise and experience;
 - strong sense of professionalism;
 - integrity;
 - other commitments and time available to contribute inputs to the Board
- (c) To determine the policy for and scope of service agreements for the Executive and Non-Executive Directors, termination payment and compensation commitments.
- (d) To produce any required reports as may be required from time to time.
- (e) To recommend to the Board the appointment of the services of such advisers or consultants as it deems necessary to fulfil its responsibilities.
- (f) To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

14. REVIEW OF THE WRITTEN TERM OF REFERENCE

Any amendment to this term of reference can only be approved by the Board. These terms of reference will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Committee's responsibilities.

The written terms of references should be made public in the Company's website.

