THONG GUAN INDUSTRIES BERHAD (324203-K)

Terms of Reference - Remuneration Committee (the "Committee")

Membership

- The members of the Committee shall comprise mainly of non-executive Directors and numbers at least 2 in total.

- The Chairman of the Committee shall be a non-executive Director appointed by the Board.

- The majority of the members of the Committee shall comprise independent Directors.

Duties

1) The duties of the Committee shall be to recommend to the Board the remuneration of the executive Directors of Thong Guan Industries Berhad in all its forms, which may include:

   a) reviewing existing or proposed share option schemes, in conjunction with the Employees' Share Option Scheme Committee, if one has already been set up;

   b) reviewing superannuation benefits, if deemed relevant and applicable;

   c) reviewing retirement and termination systems;

   d) considering fringe benefits issues, including benefits-in-kind;

   e) evaluating and proposing contractual terms in the service contracts of executive Directors.

2) Evaluating different remuneration methods and philosophies as well as conducting studies of current industry practice.

Quorum

1) The quorum of the Committee shall be at least two (2) members.

Secretary

1) The Secretary(ies) of the Company shall be the Joint Secretaries of the Committee.

Frequencies of meeting

1) Meeting shall be held at least (1) time a year and any other additional meeting deemed necessary by the Committee

Advisers

1) The Committee is authorised by the Board to seek appropriate professional advice inside and/or outside the group as and when it considers it necessary.

Minutes

1) The minutes of the meetings of the Committee shall be circulated to all members of the Board. A resolution in writing, signed by all the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.