

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE
FAR EAST HOLDINGS BERHAD
[197301001753 (14809-W)]
(Incorporated In Malaysia)

1.0 TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1.1 Objectives

The main objective of the Remuneration Committee (“Committees”) is to assist the Board of Director of Far East Holdings Berhad (“Board”) or (“Company”) in preparing a total comprehensive remuneration policy and thereafter monitoring the implementation of the said policy. This policy will cover the Board of Directors, both Executive and Non-Executive as well as top and senior management members. This is to attract and ensure the best candidates are engaged or employed by the Company.

1.2 Duties and Responsibilities

The Committee shall undertake the following duties and responsibilities and report the same to the Board:-

- 1.2.1 To review and ensure members of the Board of Directors are adequately remunerated in line with their responsibilities and fiduciary duties;
- 1.2.2 To review and recommend to the Board the remuneration of the Senior Executives and top Management of the Company and any other reward scheme to attract and retain the best needed to manage the Company;
- 1.2.3 To recommend to the Board the terms of employment of Executive Directors and Senior Management as well as their rewards and promotions;
- 1.2.4 To provide an objective and independent assessment of the benefits granted to Executive Directors and Senior Management;

- 1.2.5 To review and recommended to the Board on the Remuneration of Non-Executive Directors, particularly on whether the remuneration remains appropriate to each Director's contribution by taking into account the level of expertise, commitment and responsibilities undertaken;
- 1.2.6 To ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of Executive Directors and Senior Management;
- 1.2.7 To formulate and recommend to the Board, broad human resource policies and guidelines to be adopted by the Company;
- 1.2.8 To oversee the qualitative and quantitative disclosure of remuneration made in the annual report and notice to general meeting;
- 1.2.9 To provide clarification to shareholders during general meetings on matters pertaining to remuneration of Directors and Senior Management as well as the overall remuneration framework of the Company; and
- 1.2.10 To perform any other functions as authorised by the Board.

1.3 Authority

- 1.3.1 The Committee is authorised by the Board to act within its terms of reference, to obtain the resources which it requires including but not limited to obtaining advice from expert advisers, both internal and external, and to have full and unrestricted access to information to enable the Committee to fulfil its objectives.

1.3.2 Each and every member of the Committee shall be vested with such power and authority, specific or general, as may from time be decided upon by the Board.

1.4 Meeting

1.4.1 Meetings shall be held at least twice a year with a minimum quorum of two (2) members and the majority of members present shall be Non-Executive Directors. Additional meetings may be called at the discretion of the Chairman of the Committee;

1.4.2 Meetings of the Committee shall be governed by the provisions of the Company's Constitution relating to Board meetings except in so far as the same are not amended in these terms of reference;

1.4.3 The Company Secretary shall be the Secretary of the Committee; and

1.4.4 Minutes of each Committee meeting shall be kept and distributed to all the Committee members. The minutes of the Committee meeting shall be tabled to the Board and the Chairman of the Committee shall report on each Committee meeting to the Board.

1.5 Membership

1.5.1 The Committee shall be appointed by the Board from amongst its member and shall comprise not less than three (3) members with a majority of them being Non-Executive Directors;

1.5.2 The Executive and/or Senior Executive responsible for Human Capital, may however be invited to participate in meetings of the Remuneration Committee to provide insights pertaining to the performance of the Company;

1.5.3 The Chairman of the Committee shall be appointed by the Board and in the absence of the Chairman, members shall elect from amongst them a chairman for the meeting;

1.5.4 None of the Committee members shall participate in any decision where they have any personal interest; and

1.5.5 If the number of members is reduced to below three (3) for any reasons, the Board shall, within three (3) months but not later than six (6) months of the event happening, appoint such number of new members as may be required to make up the minimum number of three (3) members.

1.6 Revision of Terms of Reference

Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third parties, shall first be presented to the Board for its approval. Upon the Board's approval, the said revision/amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised/amended.

2.0 APPROVAL

2.1 This Terms of Reference was reviewed and approved by the Board of Directors on 17 June 2020.