

**TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE
FAR EAST HOLDINGS BERHAD**

[Company No.: 197301001753 (14809-W)]
(Incorporated In Malaysia)

1.0 TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1.1 Introduction

- (a) The Remuneration Committee's Terms of Reference ("TOR") sets out the requirements of the Board of Directors ("Board") of Far East Holding Berhad towards the establishment of a Remuneration Committee ("RC") and the delegation of responsibilities to such a Committee.
- (b) The RC's TOR is established pursuant to the Main Market Listing Requirements by Bursa Malaysia Securities Berhad and in line with the Malaysian Code of Corporate Governance by Securities Commission Malaysia and is approved by the Board.

1.2 Objectives

The main objective of the RC is to assist the Board of Directors 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.

1.3 Duties and Responsibilities

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

- 1.3.1 To review and ensure members of the Board of Directors are adequately remunerated in line with their responsibilities and fiduciary duties;
- 1.3.2 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;

- 1.3.3 To recommend to the Board the terms of employment of Executive Directors and Senior Management as well as their rewards and promotions;
- 1.3.4 To provide an objective and independent assessment of the benefits granted to Executive Directors and Senior Management;
- 1.3.5 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;
- 1.3.6 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;
- 1.3.7 To formulate and recommend to the Board, broad human resource policies and guidelines to be adopted by the Company;
- 1.3.8 To oversee the qualitative and quantitative disclosure of remuneration made in the annual report and notice to general meeting;
- 1.3.9 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
- 1.3.10 To perform any other functions as authorised by the Board.

1.4 Authority

- 1.4.1 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.

- 1.4.2 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.

1.5 Meetings

- 1.5.1 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 by giving five (5) working days' notice unless consented otherwise by the RC members;
- 1.5.2 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;
- 1.5.3 The Company Secretary shall be the Secretary of the Committee; and
- 1.5.4 Minutes of each Committee meeting shall be kept and distributed to all Committee members. Following the conclusion of each meeting, the Chairman is responsible for providing a report of the meetings to the Board at the next Board meeting.

1.6 Secretary of the RC

- 1.6.1 The Company Secretary shall be the Secretary of the Committee.
- 1.6.2 The Secretary shall have the following responsibilities:
- (a) Ensure all meetings are arranged and held accordingly;
 - (b) Draw up meeting agenda in consultation with the Chairman and circulate the agenda together with the relevant papers at least five (5) working days prior to each meeting;
 - (c) Prepare the minutes of the RC meetings and record the conclusions of the RC in discharging its duties and responsibilities;

- (d) Ensure the minutes are circulated promptly to all members of the RC after tabled to the Board and make the same available to Board members who are not members of the RC; and
- (e) Ensure that the minutes of the RC meetings are properly kept and produced for inspection if required.

1.6.3 The Chairman of the Committee shall report on each Committee meeting to the Board.

1.7 Membership

- 1.7.1 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;
- 1.7.2 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;
- 1.7.3 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;
- 1.7.4 None of the Committee members shall participate in any decision where they have any personal interest; and
- 1.7.5 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.

1.8 Revision of Terms of Reference

Where necessary, this TOR will be reviewed and updated to ensure it remains consistent with the Committee's objectives and responsibilities. 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 considered as duly revised/amended.

2.0 APPROVAL

2.1 This Terms of Reference was reviewed and approved by the Board of Directors on 31 March 2022.