

REMUNERATION COMMITTEE TERMS OF REFERENCE

1. Introduction

For the purposes of this document, “Company” refers to Farlim Group (Malaysia) Bhd. and “Group” refers to Farlim Group (Malaysia) Bhd. and its subsidiaries.

2. Composition

The Remuneration Committee (“RC”) should consist of at least three (3) members comprising non-executive and independent directors. The Chairman of the Board of Directors (“Board”) should not be a member of the RC.

A vacancy in the RC shall be filled out within three months.

3. Quorum

A majority of the members present shall form the quorum of the meeting.

4. Functions

The RC is responsible for: -

- Determining, developing and recommending to the Board a fair and transparent remuneration policy and procedures for the Board and senior management;
- Recommending to the Board for remuneration and benefits-in-kind for executive directors and senior management in all its forms, drawing from external professional advice as necessary;
- Assessing the remunerations of executive directors and senior management and ensuring that they are reflective of the Group’s demands, complexities and performance as a whole, as well as skills and experience required in line with the strategic objectives of the Group and compensation offered by comparable companies and in the employment market;
- Reviewing the disclosure of remuneration of the Board and senior management in the annual report and ensuring the disclosure is in the best interests of the Company taking into account diverse perspectives;
- Reviewing and recommending to the Board regarding the independent and non-executive directors’ remuneration (including directors’ fees and other benefits payable), based on their respective contribution, expertise, commitment and responsibilities undertaken without conflicting with their objectivity and independent judgment on matters discussed; and
- Recommending the engagement of external professionals to assist and/or advise the Committee and the Board, on remuneration matters, where necessary.

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5. Meetings and Attendance

The Committee shall meet at least annually. On the request of any member, the Secretary shall summon a meeting at any time by giving all members seven days' notice in writing. With the consent of the majority of the RC members, a meeting may be convened with a shorter notice.

Non-RC members may attend meetings at the RC's invitation.

6. Review of Terms of Reference

These Terms of Reference shall be reviewed annually to ensure that they are consistent with the Board's objectives, current regulatory requirements and corporate governance best practices. Amendments to the terms of reference shall be approved with a board resolution.