



# **Feytech Holdings Berhad**

**Registration No. 202301013791 (1507713-V)**

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## Terms of Reference of the Remuneration Committee

**Adopted by Board : 28<sup>th</sup> August 2023**  
**Effective Date : 28<sup>th</sup> August 2023**

## **1. OBJECTIVES**

- 1.1 The primary function of the Remuneration Committee (“the **Committee**”) established by the Board of Directors (“**Board**”) is to assist the Board:
- i) to review the remuneration policies through a transparent and independent process for the Chief Executive Officer, Executive Directors, Non-Executive Directors and Senior Management; and
  - ii) to ensure that the compensation is competitive and consistent with the Company’s culture, objectives and strategy.

## **2. COMPOSITION OF THE COMMITTEE**

- 2.1 Members of the Committee shall be appointed by the Board amongst its Directors and shall comprise at least three (3) members, all of whom must be Non-Executive Directors, and a majority of whom must be Independent Non-Executive Directors.
- 2.2 The Chairman of the Board must not be a member of the Committee.
- 2.3 No Alternate Director shall be appointed as a member of the Committee.
- 2.4 Where the members of the Committee for any reason are reduced to less than three (3), the Board shall base on the recommendation of the Nomination Committee, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

## **3. CHAIRMAN**

- 3.1 The Chairman of the Committee shall be an Independent Non-Executive Director.
- 3.2 If the Chairman of the Committee is not present within fifteen (15) minutes of the time appointed for holding the Committee’s meeting or is unable/unwilling to chair the meeting, the members of the Committee present shall elect one (1) of them, of whom is an Independent Non-Executive Director, to be the Chairman of the meeting.

## **4. SECRETARY**

- 4.1 The Company Secretary shall be the Secretary of the Committee.
- 4.2 The Company Secretary, in consultation with the Chairman of the Committee, shall draw up the agenda and notice of the meeting. The notice of the meeting, together with the meeting materials, shall be circulated at least five (5) business days or shorter notice where it is unavoidable, prior each meeting to the members of the Committee.
- 4.3 The notice of every meeting shall be given in writing and served to the Committee members either personally or by fax, e-mail, post or courier to his/her address in the Register of Directors or to the address provided by the Committee members, as the case may be.

## **5. QUORUM AND MEETING PROCEDURES**

- 5.1 The Committee shall meet at least once a year or as and when the Committee deems necessary to fulfil its responsibilities.
- 5.2 The quorum for the meeting shall be two (2) members. No business shall be transacted unless a quorum is present either in person or by telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.
- 5.3 If any member is unable to be physically present, he/she may choose to participate by means of a conference telephone or any other audio, or audio-visual, communication equipment which allows all persons participating in the meeting to hear and speak with each other and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.
- 5.4 A Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables all Committee members as a whole to participate for the entire duration of the virtual meeting, provided the following conditions are met:-
- (a) all the Committee members for the time being entitled to receive notice of the Committee meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted by the Constitution of the Company; and
  - (b) a Committee member may not leave a virtual meeting by disconnecting from the technology used unless he/she has previously expressly notified the Chairman of the meeting of his/her intention to leave the meeting and a Committee member shall be conclusively presumed to have been present and have always formed part of the quorum during such a meeting until such notified time of his/her leaving the meeting.
- 5.5 The main venue of the meeting shall be the place where the Chairman of the meeting is present.
- 5.6 A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairman has the casting vote. The Chairman shall not have a casting vote when only (2) members (one of whom is the Chairman) form a quorum or when only two members are competent to vote on the question at issue.
- 5.7 Any member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, must declare his/her interest in the matters and abstain from deliberating and voting on the said matter.
- 5.8 The Committee may, as and when deemed necessary, invite any Board members or any member of management or any employee of the Company, who the Committee thinks fit, to attend the meetings to assist and provide pertinent information as necessary.

## **6. KEEPING AND INSPECTION OF MINUTES**

- 6.1 The Company shall cause minutes of all proceedings of the Committee meeting to be entered in books for that purpose.
- 6.2 Minutes of each meeting, including virtual meetings shall be signed by the Chairman of the meeting at which proceedings were held or by the Chairman of the next succeeding meeting.
- 6.3 The books containing the minutes of meetings shall be kept by the Company at the Registered Office or a place determined by the Board pursuant to the Companies Act 2016 and shall be open for inspection by any Committee member or Board member.
- 6.4 The minutes of each Committee meeting shall be distributed to the Board members for notation.

## **7. WRITTEN RESOLUTION**

- 7.1 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.
- 7.2 The resolution may consist of several documents in like form, each signed by one (1) or more Committee members. Such document may be accepted as sufficiently signed by a Committee member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said Committee member.

## **8. REPORTING**

- 8.1 The Committee, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each Committee meeting. When presenting any recommendations to the Board for approval, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.
- 8.2 The Committee shall provide and review the relevant information to assist the Board in making the required disclosures in the Annual Report (including a statement about the activities of the Committee in the discharge of its duties for the financial year) and Corporate Governance Report.

## **9. POWER AND AUTHORITY**

- 9.1 The Committee shall in accordance with a procedure to be determined by the Board and at the expense of the Company:-
  - (a) have the resources which are required to perform its duties;
  - (b) have full and unrestricted access to all information and documents which are required to perform its duties;
  - (c) seek input from management on remuneration policies, but no individual should be directly involved in deciding their own remuneration;

- (d) be able to obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary; and
- (e) have access to advice and services of the Company Secretary.

## **10. DUTIES AND RESPONSIBILITIES**

10.1 The duties and responsibilities of the Committee are as follows:-

- (a) To assist the Board to Implement Group's policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors and senior management and recommend to the Board for approval.
- (b) Review policies and procedures on remuneration of Directors and senior management, to ensure that remuneration packages are determined on the basis of individual's merit, qualification and competence, after taking into consideration the complexity of Group's business and performance, individual's responsibilities, comparable market statistics, and their roles in addressing the company's material sustainability risks and opportunities and achieving sustainability targets.
- (c) In determining the remuneration packages of Directors and senior management, the Committee should take into consideration the following:-
  - (i) merit, qualification and professionalism;
  - (ii) technical competency, skills, expertise and experience;
  - (iii) roles and responsibilities;
  - (iv) alignment with the business and risks strategies, and long-term objectives of the Group; and
  - (v) fairness of the remuneration package to attract, retain and motivate quality talent and ensure the compensations offered are in line with market practice.
- (d) Review and recommend to the Board the compensation payable to Executive Directors and Senior Management, and ensure the compensations offered are in line with market practice.
- (e) Review the formulation of Key Performance Indicators ("KPIs") of the Executive Directors, Chief Executive Officer and senior management, and to assess on a periodic basis, their performance against the approved KPIs.
- (f) Recommend to the Board any performance related pay schemes for the Company or Group.
- (g) Recommend to the Board on the appointment of experts or consultants to assist the Committee on all remuneration matters, where necessary to fulfil its responsibilities.
- (h) Review major changes in employee remuneration and benefit structures throughout the Group.

- (i) To carry out other responsibilities, functions or assignments as may be prescribed by the Board from time to time.

## **11. REVIEW OF THE WRITTEN TERM OF REFERENCE**

11.1 This written term 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. Any amendments to this term of reference must be approved by the Board.

11.2 This written term of reference will be made available on the Company's website.

## **12. APPROVAL**

The Terms of Reference was reviewed and approved by the Board of Directors on 28<sup>th</sup> August 2023.