

FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

(the "Company")

TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

1. **Functions and Objectives**

The Remuneration Committee (the "Committee") is to assist the board of directors of the Company (the "Board") to develop and administer a fair and transparent procedure for setting policy on the remuneration of Directors and senior management of the Company and for determining their remuneration packages.

2. **Membership**

2.1 All members of the Committee (the "Member") shall be appointed by the Board and can be removed by the Board at its sole discretion. The Committee shall comprise a minimum of three Directors.

2.2 The majority of the Members shall be Independent Non-executive Directors.

2.3 The Board shall from time to time vary the composition of the Committee as may be required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as modified from time to time (the "Listing Rules"), or other codes, rules and regulations as may be prescribed by the applicable regulatory authority from time to time.

3. **Secretary**

The company secretary of the company shall be the secretary of the Committee.

4. **Authority**

4.1 The Committee shall report directly to the Board and shall, where appropriate, consult the Managing Director and Chief Executive Officer of the Company for any clarification on their proposal relating to the remuneration of Executive Directors and senior management.

4.2 The Committee is authorized by the Board to obtain outside independent professional advice if it considers necessary.

4.3 The Committee shall be provided with sufficient resources to discharge its duties.

5. **Duties**

The duties of the Committee shall include the following aspects:

5.1 to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration.

- 5.2 to determine the specific remuneration packages of all Executive Directors and senior management, including stock options and any benefits in kind, pension rights and incentive payments and any compensation payable for loss or termination of their office or appointment, and make recommendation to the Board on the remuneration of Non-executive Directors.
- 5.3 to review and approve performance-based remuneration by reference to corporate goals and objectives.
- 5.4 to review and approve the compensation payable to Executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with contractual terms and that such compensation is otherwise fair and not excessive for the Company.
- 5.5 to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangement is made in accordance with contractual terms and that any compensation payment is otherwise reasonable and appropriate.
- 5.6 to ensure that no Director or any of his associates is involved in deciding his own remuneration.
- 5.7 To advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under the Listing Rules.

6. Committee Meetings

6.1 Frequency

The Committee shall meet at least once a year. Additional meetings should be held as when necessary.

6.2 Notice

Notice of any meetings of the Committee has to be given at least fourteen days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned meetings is not required if adjournment is for less than fourteen days.

6.3 Quorum

The quorum for meetings of the Committee should be two, of whom at least one has to be Independent Non-Executive Director.

6.4 Resolutions

Resolutions of the Committee shall be passed by a majority of votes which can also be passed by way of unanimous written resolutions. Meetings can be held in person, by telephone or by video conference.

6.5 Minutes

The secretary of the Committee should keep full minutes of all Committee meetings. Draft and final versions of minutes of meetings of the Committee should be sent to all Members for their comment and records respectively, in both cases within a reasonable time after the meeting.

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