

B E S H O M

BESHOM HOLDINGS BERHAD

(Registration No. 202101001114 (1401412-A))

Remuneration Committee
Terms of Reference

1. **Objectives**

The Remuneration Committee (“RC”) is a Committee of the Board of Directors (“the Board”) of Beshom Holdings Berhad (“the Company”). The Board has constituted the Committee with the authorities necessary to perform the duties set out in these Terms of Reference. The Terms of Reference is not an “all inclusive” document and should be read as a broad expression of principle. It would be reviewed on a periodic basis and may be amended by the Board from time to time. This document is also to be read together with the Director Remuneration Handbook with regard to the terms of employment, or service contract (whichever is applicable) for the Directors of the Company.

2. **Membership**

- 2.1 The RC shall comprise at least three (3) Directors, who shall be Non-Executive Directors and a majority of whom are Independent Directors.
- 2.2 The Chairman and members of the RC shall be appointed by the Board.
- 2.3 The member of RC should be appointed by the Board after taking into consideration the recommendations of the Nominating Committee.
- 2.4 The term of office of each RC member shall be three-year and the member is subject to re-appointment upon expiry of the term. The appointment of a committee member automatically terminates when the member ceases to be a Director.
- 2.5 The performance of the RC and each of its member would be assessed by the Nominating Committee (NC) to determine if the RC and its members have carried out their duties in accordance with its terms of reference and if they meet the NC’s and the Board’s expectations. The recommendations of the NC for re-appointment of the RC members would be presented for the Board’s approval.
- 2.6 Where the RC membership is reduced to less than three (3) for whatever reason, the Board shall within three (3) months of the event, appoint such member or new members as may be required to make up the minimum number of three (3) members.
- 2.7 The members of the RC as a whole must have the appropriate level of experience and knowledge to fulfil their duties.

3. Duties

The duties of the RC are as follows:

- 3.1 To establish, review and recommend to the Board: -
 - i. the remuneration policies for the Group Managing Director and Executive Director(s) and Senior Management;
 - ii. remuneration package for the Group Managing Director and Executive Director(s) including among others, bonus, benefits-in-kind and increment;
 - iii. the Annual Incentive Reward framework / proposal for the Group Managing Director;
- 3.2 In consultation with the Group Managing Director and Executive Director(s), to determine the remuneration on an annual basis as well as the bonus and increment for each of the Senior Management and the General Manager of the holding company and the main /principal subsidiaries;
- 3.3 To review and recommend the policy on Directors' fees and allowances for the Directors and to ensure such fees and allowances are reflective of the duties, seniority and contribution of each individual Director;
- 3.4 To consider other matters as referred to the RC by the Board;
- 3.5 To recommend the engagement of external professional advisors to assist and/or advise the RC on remuneration matters, where necessary.

4. Meetings & Minutes

- 4.1 The RC shall meet at least twice (2) a year or more regularly as and when required;
- 4.2 The Secretary of the RC shall be the Company Secretary;
- 4.3 The Chairman of the RC, or the Company Secretary on the requisition of any one member of the RC or any one Director of the Company, shall call a meeting of the RC by giving seven (7) days' notice or any other shorter period as may be agreed by the members amongst themselves;
- 4.4 The quorum for the RC meeting shall be two (2) members. In the absence of the Chairman, the members present shall elect one of their members to chair the meeting;
- 4.5 A meeting of the RC shall normally be conducted face-to-face to enable effective discussion, however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the RC;

- 4.6 All resolutions of the RC shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman shall have a second or casting vote;
- 4.7 A RC member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation;
- 4.8 The RC may from time to time and if deemed appropriate, consider and approve an/or recommend relevant matters via a Circular Resolution in writing, in lieu of formally convening a meeting. The Circular Resolution may consist of several documents in like form signed by one or more Committee members and shall be as valid and effectual as if it has been passed by a meeting of the RC duly convened. Approval of the RC obtained by a Circular Resolution must be signed or approved by all RC members subject to 4.7 above;
- 4.9 The RC may at its discretion and when the need arises, invite other Directors, Senior Management, Group Human Resource Manager or other relevant persons to attend the meeting;
- 4.10 The RC has access to such information and advice as it deems necessary or appropriate. To facilitate the discussion at the meeting, the Group Human Resource Manager assists in preparing the relevant information inclusive the respective Key Performance Indicators (KPIs) of the Group Managing Director, Executive Director(s) and Senior Management for Committee's reference. The Group Chief Financial Officer would brief the RC on the financial & non-financial performance of the Group and its key divisions / principal subsidiaries respectively as well as the performance/contribution of the designated Senior Management who is being reviewed and assessed;
- 4.11 The RC through its Chairman shall update the Board on the summary of matters deliberated by the RC after each meeting;
- 4.12 Minutes for each RC meeting shall be completed as soon as possible after the meeting and circulated to the Chairman and Committee members for review. The minutes would be formally approved by the RC at the next scheduled meeting.

5. Remuneration Policies

- 5.1 The remuneration package for Executive Directors and Senior Management comprise of fixed and performance-linked (variable) elements. The executive remuneration are competitive and are comparable to the market and would be set at levels which are sufficient to attract and retain the Directors and Senior Management needed to run the Company. The remuneration package are reflective of the individual skills and experience as well as the responsibilities undertaken;
- 5.2 The following objectives are used as the guiding principle in determining the

remuneration package for the Group Managing Director, Executive Director(s) and Senior Management:

- i. To provide competitive rewards to attract, motivate and retain suitable executives;
- ii. Link reward to individual and the overall performance of the Group, thereby enhancing the Company's profitability and creating value to shareholders;
- iii. Ensure remuneration arrangements are equitable fair and commensurate with the levels of executive responsibilities and is appropriate in light of the Company's performance as well as in compliance with Labour laws or Employment Act or any other relevant regulations.

5.3 In making a recommendation to the Board on the remuneration package, including bonus, increments or annual rewards (if any), the key factors for RC to consider are as follows:

- i. Responsibility, scope and complexity of work and commitment;
- ii. Skills, knowledge, expertise, experience, integrity and competence;
- iii. Contribution and performance;
- iv. Market practices or competitiveness in similar industry or similar size.

5.4 The Group Managing Director and Executive Director(s) received remuneration paid to them for their respective designated position held in the Group and also the remuneration paid as a Director of the Company. Remuneration payable to the Executive Directors may not include commission on or percentage of revenue/turnover;

5.5 The determination of remuneration packages for Non-Executive Directors, should be a matter for the Board as a whole. The remuneration of Non-Executive Directors shall be on a fixed sum and not based on commission on or percentage of profits or revenue/turnover. The remuneration shall commensurate with the seniority, experience, contribution, level of responsibilities and representation in Board Committees;

5.6 A review of the remuneration package for Non-Executive Directors will take into account the fee levels and trends of similar positions in the market, time commitment required from the Director, level of seniority and also any additional responsibilities undertaken by the individual Director such as the role as Chairman or member of a Board committee and advisory role for certain function or task delegated;

5.7 The structure of Directors remuneration package comprising of annual fee for acting as Director, Board Committee fee for assuming additional responsibilities, meeting allowance, training benefits, travelling allowance for attending physically the Board meetings, Committees' meetings or general meetings (excluding AGM), Employer's Statutory contribution, ESOS and other benefits;

- 5.8 The Directors are also conferred benefits-in-kind such as in the form of Group Hospitalisation and Surgical, Outpatient benefit, Group Personal Accident and others, include Directors and Officers/ Corporate Liability Insurance Policy whereby is subject to the permitted circumstances of the Law;
- 5.9 The Director fees and benefits of Directors (include allowances to Non-Executive Directors) are subject to the approval by shareholders on an annual basis during the Company's Annual General Meeting;
- 5.10 Directors who are shareholders shall abstain from voting at general meetings to approve their fees.

6. Review

The terms of reference of RC is subject to be reviewed or to be updated as appropriate, reflecting changes to the company's circumstances and any new regulations that may impact upon the remuneration committee's responsibilities.