

**B E S H O M**

**BESHOM HOLDINGS BERHAD**

(Registration No. 202101001114 (1401412-A))

Nominating Committee  
Terms of Reference

## **1. Objectives**

The Nominating Committee (“NC”) is a Committee of the Board of Directors (“the Board”) of Beshom Holdings Berhad (“the Company”). The Board has constituted the NC with the authorities necessary to perform the duties set out in this Terms of Reference. Delegation of these responsibilities to the NC helps ensure that the nomination of the potential candidates to the Board and Board Committees as well as the assessment of performance of Board Members and Board Committees of the Company on an ongoing basis would be discussed in depth, allowing the Board to focus on strategic issues. This Terms of Reference is not an “all inclusive” document and should be read as a broad expression of principle. It shall be reviewed on periodic basis and can be amended by the Board from time to time.

## **2. Membership**

- 2.1 The NC shall comprise at least three (3) members, comprise exclusively of Non-Executive Directors, a majority of whom must be independent.
- 2.2 The Chairman and members of the NC shall be appointed by the Board;
- 2.3 The Chairman of the NC is Senior Independent Non-Executive Director.
- 2.4 The term of office of a Member of NC shall be one year and is subject to re-appointment upon expiry of the term. The Board should evaluate a NC member’s performance to see that it meets both the Board and NC’s expectations annually;
- 2.5 Where the NC membership for any reason has reduced to less than three (3), the Board shall within three (3) months of the event, appoint such number of new member(s) as may be required to make up the minimum number of three (3) members;
- 2.6 The members of the NC as a whole must have appropriate experience and knowledge to fulfil their duties.

## **3. Duties**

The duties of the NC are as follows:

- 3.1 To consider, evaluate and recommend to the Board any new board appointments. In making the recommendation to the Board on the candidate for directorship, the NC shall consider the following factors:
  - (i) The candidate’s resume, curriculum vitae and qualification and time to effectively discharge his/her role as a Director of the Company;

- (ii) Size, composition, diversity including gender diversity, ethnicity and age diversity, mix of skills and relevant experiences, as well as the level of commitment, resources and time that the candidate can contribute to the existing Board and Company;
- (iii) The minimum number of Independent Directors to make up the Board as defined in the Bursa Securities Main Market Listing Requirements (“MMLR”) and his/her independence;
- (iv) The credibility, integrity, professionalism and competence of the recommended candidate;
- (v) In the case of candidates for the position of Independent Non-Executive Director, the NC should also evaluate the candidates’ ability to discharge such responsibilities / functions as expected from an Independent Non-Executive Director and whether the candidate has any conflict of interest with the Company;
- (vi) Any other relevant criteria as may be determined by the NC from time to time.

The NC should be provided with sufficient resources to undertake its duties. A reference check and a detailed resume shall be provided to the NC when considering an appointment of new director.

- 3.2 To recommend to the Board, candidates to fill the seats on board committees;
- 3.3 To periodically review and recommend to the Board with regard to the size, composition, the required mix of skills and experiences of the Directors;
- 3.4 To assist the Board in evaluating the effectiveness of the Board as a whole, the performance of each individual Director and the Board Committees, including the term of office and performance of the Audit Committee, Risk Management Committee, Remuneration Committee and its members on an annual basis. The Chairman of the NC shall communicate the results of the performance review to the Board;
- 3.5 To recommend to the Board the re-election of a Director retiring by rotation;
- 3.6 To facilitate the development and succession planning for the Senior Management;
- 3.7 To ensure that orientation programme are provided for new members of the Board and to review/identify the training needs of Directors and ensure that all Directors receive appropriate continuous training programmes in order to

broaden their perspective and to keep abreast with development in the market place;

- 3.8 To develop protocols for Directors for accepting new directorships and obtain their time commitment from such Director to ensure sufficient time can be devoted by him or her to carry his or her responsibilities as a member of the Board and / or Board committee(s) of the Company and / or its subsidiaries, whichever is applicable and the new appointment prior to or at the time of new appointment;
- 3.9 To carry out assessment on the independency of all Independent Directors annually;
- 3.10 To carry out a separate assessment of the Independent Director if his/her tenure of office as an Independent Director exceeds a cumulative term of nine (9) years, and to consider amongst others, the assessment if he/she would remain independent minded notwithstanding his/her long service and continue to provide the necessary check and balance in the best interest of the Company. The Independent Director may continue to serve the Board if the Independent Director is re-designated as a Non-Independent Non-Executive upon completion of the nine (9) years' tenure. However, if the Board intends to retain an independent Director beyond nine (9) years, it should provide justification and seek shareholders' approval annually at general meetings.
- 3.11 To consider other matters as referred to the NC by the Board.

#### **4. Board Nomination and Election Process of Directors**

NC is responsible to recommend candidate to the Board to fill vacancy arising from resignation, retirement or other reasons or if there is a need to appoint additional director with the required skill or profession to the Board in order to close the competency gap identified in the Board. Upon receipt of the proposal, the NC is responsible to conduct an assessment and evaluation on the proposed candidate. Upon completion of the assessment and evaluation, the NC would make its recommendation to the Board and the Board would evaluate and decide on the appointment of the proposed candidate.

Members of the NC would meet with the potential candidate(s) for the position of director(s) to assess their suitability based on criteria as set out in 3.1 above. The potential candidates are required to declare and confirm in writing, amongst others, his/her time commitment, current directorships, that he/she is not an undischarged bankrupt, or is involved in any court proceedings in connection with the promotion, formation or management of a corporation or involving fraud or dishonesty punishable on conviction with imprisonment or is subject to any investigation by any regulatory authorities under any legislation. For proposed candidates for the position of

independent directors are required to declare and confirm their independency based on the criteria as set out in the MMLR.

Management would assist the new Directors to familiarise themselves with the Group's structure and businesses by providing the Directors with relevant information about the Group. New Directors are also encouraged to undertake site visits and to meet with the key senior executives.

In the case where the former audit partner be appointed as a Director of the Company, the NC must ensure that a cooling-off period of at least three (3) years, or such other period as may be determined by the Regulators/Authorities from time to time, before a former partner of the external audit firm could be appointed as a member of the Audit Committee to safeguard the independence of the audit of the financial statements.

The Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion throughout the organisation.

The Board is open to utilizing independent sources to identify suitably qualified candidates for appointment as Director of the Company, where necessary.

## **5. Evaluation and Assessment**

5.1 The process of assessing the Directors is an on-going responsibility of the entire Board. The Board has put in place a formal evaluation process to annually assess the effectiveness of the Board as a whole and the Board Committees, as well as the contribution and performance of each individual Director, including the Independent Non-Executive Directors.

5.2 All assessments and evaluations carried out by NC in the discharge of all its functions shall be properly documented.

5.3 The criteria used, among others, for the annual assessment of individual Director include an assessment of their roles, duties, responsibilities, competency, expertise and contribution. For the Board and Board Committees, the criteria used include among others, composition, structure, accountability, responsibilities, adequacy of information and processes. In general, the assessment covers: -

- (i) Individual board member's understanding of the Company's mission and strategic plan;
- (ii) Board members' understanding and knowledge of the Group's business and performance and application of good governance principles to create sustainable shareholders' value;
- (iii) Board's independence in the process of decision making;

(iv) For Independent Non-Executive Directors, the members' ability to discharge such responsibilities or functions as expected from Independent Non-Executive Directors and whether the member has any conflict of interest with the Company.

5.4 The questionnaires on the annual assessment of the effectiveness of the Board and individual directors also include an evaluation of their:

- (i) willingness and ability to critically challenge and ask the right questions;
- (ii) character and integrity in dealing with potential conflict of interest situation, if any;
- (iii) commitment to serve the Company; and
- (iv) confidence to stand up for a point of view.

5.5 To perform the evaluation process on an annual basis based on the criteria as provided in the respective Evaluation Forms with the assistance of the Company Secretary and Group Human Resource Manager. If so required, independent expert may periodically be engaged to facilitate objective and candid board evaluation.

5.6 To summarise the performance and process the evaluation results and report to the Board;

5.7 To provide recommendation or action plan pertaining to the areas of governance for improvement, if any.

## **6. Meetings & Minutes**

6.1 The NC shall meet at least once (1) a year, and additional meetings may be called by any one of Member, as and when required.

6.2 The Secretary of the NC shall be the Company Secretary;

6.3 The Chairman of the NC, or the Company Secretary on the requisition of any one (1) member, shall call a meeting of the members by giving at least three (3) days' notice or any other shorter period as may be agreed by the members amongst themselves;

6.4 Meetings may be conducted by means of telephone conference, video conference or any other form of audio or audio-visual instantaneous communication and the participation in the meeting pursuant to this provision shall constitute presence in person of such meeting.

6.5 The quorum for the NC shall be two (2) members;

- 6.6 NC members shall attend the scheduled meetings of the Committee including meetings called on an ad hoc basis for special matters unless prior apology with reasons has been submitted to the Chairman or Company Secretary;
- 6.7 NC members shall be fully prepared for the Committee meetings to be able to provide appropriate and constructive input on matters for discussion;
- 6.8 In the absence of the Chairman, the members present shall elect one (1) of their members to chair the meeting;
- 6.9 The NC may at its discretion and as the need arises, invite Senior Management or any other persons to attend the meeting;
- 6.10 Minutes for each NC meeting shall be completed as soon as possible after the meeting and circulated to the Chairman and Committee members for review thereof. The minutes must be formally approved by the NC at the next scheduled meeting;
- 6.11 The Chairman shall provide to the Board a summary of the proceedings after each meeting. All recommendations and findings of the NC shall be submitted to the Board for approval.

## **7. Circular Resolutions**

The NC may deal with ad-hoc and urgent matters by way of circular resolutions in lieu of formally convening a meeting.

A resolution in writing signed or approved by letter, telefax or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be forwarded or otherwise delivered to the Secretary and shall be recorded by the Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.