

**BHS INDUSTRIES BERHAD (719660-W)**  
(Incorporated in Malaysia)

**TERMS OF REFERENCE**  
**REMUNERATION COMMITTEE**

1. **Members**

The Committee shall be appointed by the Board of Directors and shall consist of not less than 2 members of which comprising wholly or mainly of non-executive directors.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

2. **Chairman**

The Chairman shall be elected by the Committee from among their members.

3. **Function**

The Committee shall recommend to the board, the remuneration packages of managing directors and executive directors of the Group of Companies and the Group in all its forms, drawing from outside advice as necessary.

The remuneration packages of non-executive directors should be determined by the Board of Directors as a whole.

4. **Structures and Procedures**

The Committee should meet regularly, with due notice of issues to be discussed and should record its conclusion in discharging its duties and responsibilities. The Committee should disclose the number of committee meetings held in a year and the details of attendance of each individual member in respect of meetings held. The quorum shall be 2 members with majority of non-executive directors.

The Committee should have a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Committee is firmly in its hands. In the event that the remuneration package of a Committee member is to be discussed, the Committee member concerned should abstain from the discussion of his/her own remuneration package.

The Committee should be entitled to the services of a secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both the Company's own records and for the purposes of meeting statutory requirements, as well as obligations arising from the Listing Requirements of Bursa Malaysia Securities Berhad and/or other regulatory authorities.

5. **Access to Advice**

In furtherance to their duties as the Committee's members of the Company, there should be an agreed procedure for the members, whether as a full Committee or in their individual capacity, to take independent professional advice at the Company's expense, if necessary.