



MISC BERHAD

Terms of Reference of

Nomination & Remuneration

Committee



The Nomination and Remuneration Committee ("NRC" or "the Committee") is established pursuant to Article 107 of the Company's Articles of Association. The composition, procedures, duties and responsibilities of the Committee shall be as set out below:

1. COMPOSITION

- 1.1 The Committee shall be appointed by the Board of Directors ("the Board") of MISC Berhad ("MISC" or "the Company") from amongst its members or such other persons as the Board thinks fit, and shall comprise a Chairman and at least two (2) other members.
- 1.2 A majority of the members of the Committee shall be Independent Directors and the Committee shall all be composed of Non-Executive Directors.
- 1.3 No Alternate Director can be appointed as a member of the Committee.
- 1.4 The Board shall appoint a Chairman of the Committee from among the members of the Board who shall be an Independent Non-Executive Director. Should the Chairman be absent from any meeting, one (1) of the members who shall be an Independent Non-Executive Director shall be elected as Chairman by the Committee members.
- 1.5 If a member is unable to act due to absence, illness or any other cause, the Chairman may appoint another Director of the Company to serve as an alternate member having due regard to maintaining the required balance of executive and independent non-executive members.

2. MEETINGS

- 2.1 The Committee shall meet not less than twice in a year and at such other times as the Chairman shall require.
- 2.2 The Committee may also decide by way of the Committee's circular resolutions. A resolution in writing signed or approved by letter by all the members who may at the time be present in Malaysia, being not less than two (2) Directors are sufficient to form a



quorum shall be valid and effectual as if it had been passed at a meeting of the Nomination and Remuneration Committee duly called and constituted. All such resolutions shall be described as "Nomination and Remuneration Committee Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by the Secretary in the Company's minutes book and submitted for confirmation at a meeting of the Board next following the receipt thereof by the Secretary.

- 2.3 The presence of two (2) Directors which includes one (1) Independent Non-Executive Director shall form a quorum for the Committee meetings.
- 2.4 Attendance of other Directors and employees at any particular Committee meeting shall only be at the Committee's invitation, specific to the relevant meeting.
- 2.5 The Secretary to the Committee shall be the Company Secretary or any other person appointed by the Committee.
- 2.6 The notice and agenda of each meeting shall be sent to all members of the Committee and any other persons that may be required to attend. Minutes of each meeting shall be kept and distributed to each member of the Committee and of the Board. The Committee shall report and may make such recommendations to the Board on matters within the powers vested in it by the Board, as it may think fit.

3. DUTIES AND RESPONSIBILITIES

3.1 NOMINATION MATTERS:

- 3.1.1 The Committee's primary responsibility is to propose, consider and recommend to the Board, candidates for directorships to be filled in the Company by considering the following factors:
 - skills, knowledge , expertise and experience;
 - professionalism;
 - integrity; and



- in the case of candidates for the position of independent non-executive directors, the Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.

The Committee shall also take into account diversity in addressing Board composition.

- 3.1.2 The Committee should, consider in making its recommendations, candidates for directorships proposed by the Chairman and the President/ Chief Executive Officer ("President/CEO") of the Company and, within the bounds of practicability, by any other senior executive or any director or shareholder.
- 3.1.3 The Committee should recommend to the Board, Directors to fill the seats on Board Committees.
- 3.1.4 The Committee is responsible to establish and annually review the performance criteria or Key Performance Indicators (KPIs) of the Board and the President/CEO, and the evaluation thereof against the KPIs.
- 3.1.5 The Committee is responsible to review and implement sound Succession Planning of the Board, and of the President/CEO, and the Management Committee members, including any development plans of the President/CEO and MC members.
- 3.1.6 The Committee's other duties and responsibilities are as follows:-
 - a) To make appropriate recommendations to the Board for the re-election of Directors retiring at the Annual General Meetings.
 - b) To make appropriate recommendations to the Board for the appointment or renewal of contracts of employment of the President/CEO and/or Management Committee members.
 - c) To annually review the Board's required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board.



- d) To implement a process of Board Performance Evaluation for assessing the effectiveness of the Board as a whole, the Board Committees and also the contribution of each individual director to the effective decision making of the Board. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.
- e) To review and implement the training needs and development of Directors to ensure that Directors' training programmes are tailored to requirements of the Directors and the Company.

3.2 REMUNERATION MATTERS

3.2.1 The Committee's primary responsibility is to consider and recommend to the Board and to support the Board's responsibility in respect of the following:

- a) To recommend to the Board the remuneration and compensation of the President/CEO and Management Committee members of the Company.
- b) To recommend to the Board the remuneration of Non-Executive Directors.
- c) To recommend to the Board the annual company bonus and merit bonus quantum for the Company.

4. AUTHORITY

4.1 The Committee is empowered to seek any information it requires from any employee of the Company in order to perform its duties.

4.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.