



MISC BERHAD

Terms of Reference of

The Nomination & Remuneration

Committee

REVISED ON 1 NOVEMBER 2017

MISC Berhad
Nomination & Remuneration Committee
-Terms of Reference

The Nomination & Remuneration Committee ("the Committee") is established pursuant to Article 107 of the Company's Constitution. 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 of MISC Berhad from amongst its members or such other persons as the Board thinks fit, and shall comprise a Chairman and at least two other members.
- 1.2 A majority of the members of the Committee shall be Independent Directors and shall all be composed of Non-Executive Directors.
- 1.3 No Alternate Director of the Board of Directors is to be appointed as a member of the Committee.
- 1.4 The Board of Directors shall appoint a Chairman of the Committee from among the members of the Board of Directors of MISC Berhad who shall be an Independent Non-Executive Director. Should the Chairman be absent from any meeting, one 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 Committee 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 Committee 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 & Remuneration Committee duly called and constituted. All such resolution shall be described as 'Nomination & 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 minute 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 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, suitable candidates for appointment as Directors by considering the following factors:
- skills, knowledge, expertise and experience;
 - professionalism;
 - integrity; and
 - in the case of candidates for the position of Senior and/or Independent Non-Executive Directors, the Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from them.
- 3.1.2 The Committee shall also take into account diversity in addressing Board and Senior Management composition.

- 3.1.3 The Committee should consider, in making its recommendations, candidates for directorships proposed by the Chairman and the President/ Chief Executive Officer (“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 review the disclosures required to be made in the Company’s annual report in relation to matters required by the relevant laws and the prevailing corporate governance best practices.
- 3.1.4 The Committee should recommend to the Board of Directors of MISC Berhad, directors to fill the seats on Board committees.
- 3.1.5 The Committee shall review the term of office and performance of the Audit and Risk Management (“ARMC”) annually to determine whether the ARMC has carried out its duties in accordance with its Terms of Reference (“TOR”).
- 3.1.6 The Committee’s other duties and responsibilities are as follows:
- a) To make appropriate recommendations to the Board on matters of renewal or extension of directors appointment and reappointment of retiring directors;
 - b) To make appropriate recommendations to the Board for the appointment or renewal of contracts of employment of the President / Group CEO and/or Senior Management of the Company.
 - 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 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, through an evaluation process. 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 and development needs 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 remuneration policy for Directors and Senior Management of the Company, as follows:

- a) To review and recommend to the Board the remuneration and/or compensation package of Executive Directors and the President / Group CEO of the Company.
- b) To review and recommend to the Board the remuneration of Non-Executive directors.
- c) To review and recommend to the Board the remuneration and compensation package of the Senior Management of the Company.
- d) 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 TOR.

4.3 The Committee is authorised to recommend to the Board for approval on any necessary amendments to its TOR.

