



MISC BERHAD

Board Nomination & Remuneration Committee

Terms of Reference

REVISED ON 1 OCTOBER 2025



1. ESTABLISHMENT

- 1.1 The Nomination Committee ("NC") and Remuneration Committee ("RC") were established by the MISC Berhad ("MISC" or "Company") Board of Directors ("Board") as Board Committees on 6 May 2011. Effective 1 January 2013, the NC and RC were combined and became the Nomination and Remuneration Committee ("NRC").

On 1 May 2023, the NRC was further renamed as the Board Nomination & Remuneration Committee ("BNRC" or "Committee") to streamline the naming convention with the rest of MISC Board Committees.

2. COMPOSITION

- 2.1 The Committee members shall be appointed by the Board from amongst its members and shall consist of not less than three (3) members (including the Chairman):
- i) All members must be Non-Executive Directors, with a majority being Independent Directors.
 - ii) The Chairman of the Board shall not be a member of the Committee.
 - iii) No Alternate Director can be appointed as a member of the Committee.
- 2.2 In the event of any vacancy in the Committee where membership falls below three (3), the vacancy must be filled within three (3) months.
- 2.3 Membership in the Committee shall automatically cease upon resignation, retirement or vacation from office by any means as a Director of the Company.
- 2.4 Any member may be removed from office by the affirmed vote of a majority of the Board.

3. CHAIRMAN

- 3.1 The Board shall appoint a Chairman of the Committee from among the Board members who are Independent Directors or the Senior Independent Non-Executive Director.



4. SECRETARY

- 4.1 The Company Secretary of MISC or any other person appointed by the Committee shall be the Secretary to the Committee.

5. MEETINGS AND CIRCULAR RESOLUTIONS

- 5.1 The Committee shall meet not less than twice in a year and additional meetings may be held as and when required. The meeting of the Committee may be conducted face-to-face or by means of audio, or audio and visual, communication by which all members participating can simultaneously hear each other throughout the meeting, or by a combination of both methods.
- 5.2 The quorum for each meeting shall be two (2) members, which includes at least one (1) Independent Director.
- 5.3 Should the Chairman be absent from any meeting, one (1) of the members who is an Independent Director shall be elected as Chairman of the meeting.
- 5.4 Any matter requiring a decision at any meeting of the Committee shall be determined by a majority of the votes of the members present, and in case of an equality of votes, the Chairman shall have a second or casting vote. Where the meeting is attended by only two (2) members sufficient to constitute a quorum or which only two (2) members present are competent to vote on the question at issue, the Chairman shall not have a casting vote.
- 5.5 In the event of an equality of votes, where the meeting is attended by only two (2) members sufficient to constitute a quorum or which only two (2) members present are competent to vote on the question at issue, the matter shall be deferred to a subsequent Committee meeting for further deliberation. However, in instances where the matter is considered critical or requires expedited attention due to time constraints, it shall be escalated to the Board for resolution.
- 5.6 The proceedings of the Committee meetings shall be recorded and maintained by the Secretary to the Committee.



- 5.7 The Chairman of the Committee shall report to the Board on any matter that should be brought to the Board's attention and provide recommendations of the Committee that require the Board's approval at the Board meeting.
- 5.8 The Committee may request other Directors, Management, other employees, consultants, advisers and/or other attendees to attend and participate in the Committee meetings, as necessary, provided however, that no Director shall be entitled to vote at such meetings or be counted as part of the quorum for any meeting of the Committee unless he or she is a member of the Committee.
- 5.9 Subject to clause 5.10, a resolution in writing of the Committee signed or approved by all Committee members, shall be valid and effectual as if it had been passed at a meeting of the Committee. Any such resolution may consist of several documents, including facsimile or other means of communication, in similar form and each document shall be signed or assented by one (1) or more members.
- 5.10 Each individual Committee member shall excuse himself/herself from the meeting and shall abstain from deliberation and decision of any resolution which will or may give rise to an actual, potential or perceived conflict. However, the Committee may resolve that the disclosed conflict should not disqualify the interested Committee member from participating in any deliberation and/or voting thereon.

6. AUTHORITY

The Committee is empowered by the Board with the following authority to execute any matters within its terms of reference ("TOR") at the cost to be borne by MISC:

- 6.1 Full and unrestricted access to resources and information which are required to perform its duties. This includes authority to investigate and/or seek information from any employees of the Group. Employees subjected to such request may be directed by the Committee to co-operate with the request; and
- 6.2 Right to obtain independent professional advice or other advice.

7. FUNCTIONS

The Committee's functions are to review, evaluate, report and make appropriate recommendations to the Board on the following matters:

In relation to Nomination Matters:-

7.1 Structure of Board and Board Committees

Review, on annual basis, the size and composition of the Board and Board Committees, as well as the required mix of skills and experience and other qualities, including core competencies, which Non-Executive Directors should bring to the Board.

7.2 Nomination of Directors and Board Committee Members

- i) Assess and recommend suitable candidates for appointment as Directors by considering the following factors:
 - skills, knowledge, expertise and experience;
 - professionalism;
 - integrity;
 - conflicts of interest (with assessment by the Board Audit Committee);
 - prospective commitment and contribution;
 - fitness and propriety;
 - diversity in the Board composition; 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.
- ii) Consider, in making its recommendations, candidates for directorships proposed by any Director, major shareholder and senior executive of the Company or independent sources, within the bounds of practicability.
- iii) Recommend to the Board, Directors to fill the seats on Board Committees.

7.3 Re-election and Re-appointment of Directors and Senior Management

- i) Make appropriate recommendations to the Board on matters of renewal or extension of Directors appointment and/or reappointment and re-election of Directors retiring by rotation pursuant to the Constitution of the Company, taking into account the criteria set out in the Directors' Fit and Proper Policy.
- ii) 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, taking into account diversity in the composition of Senior Management.

7.4 Performance Management and Evaluation

- i) Implement a process for assessing the effectiveness of the Board as a whole, the Board Committees (including the Board Audit Committee) and also the contribution of each individual director to the effective decision making of the Board, through an evaluation process, on annual basis. An external consultant shall be engaged to conduct the Board effectiveness evaluation at least once every three (3) years to facilitate an objective and candid board evaluation. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.
- ii) Review the MISC Group Balanced Scorecard and recommend Board Key Performance Indicators to drive organisational performance.
- iii) Evaluate the performance of the President & Group CEO and oversee the performance evaluation of Senior Management.

7.5 Directors' Development

Review the training and development needs of Directors to ensure that Directors' training programmes are tailored to the requirements of the Directors and the Company, which includes induction and education programmes for new members of the Board.

7.6 Succession Planning

Develop and review the succession plan for the Board, Board Committees, President & Group CEO and Senior Management.

In relation to Remuneration Matters:-

7.7 Remuneration Framework

- i) Develop and oversee the Company's remuneration framework for Directors, Senior Management and employees of the Company.
- ii) Review the remuneration and compensation packages of Non-Executive Directors.

- iii) Review the remuneration and/or compensation package of Executive Directors and the President & Group CEO of the Company.
- iv) Review the remuneration and compensation package of the Senior Management of the Company.
- v) Review the provision and basis for the annual salary increment, company bonus, merit bonus quantum and adjustments to the salary bands for the Company.

Others:-

- 7.8 Review the disclosures required to be made in the Company's integrated annual report in relation to matters required by the relevant laws and the prevailing corporate governance best practices.
- 7.9 Any other function and/or any other relevant matters as may be determined by the Board.

8. REVIEW OF TOR

- 8.1 The Committee may from time-to-time recommend to the Board to revise or amend its TOR provided always that the said revisions or amendments are in compliance with applicable laws, the prevailing corporate governance best practices or other regulatory requirements.