



A Member of  MMC Group

## NOMINATION AND REMUNERATION COMMITTEE ("The NRC")

### TERMS OF REFERENCE

- (i) **Members**
  - Three (3), which comprises exclusively of Non-Executive Directors, a majority of whom must be independent.
  
- (ii) **Secretary**
  - One of the Company Secretaries as decided by the Chairman of the Committee.
  
- (iii) **Quorum**
  - Two (2) members.
  
- (iv) **Frequency of Meetings**
  - At least once in each financial year. Additional meetings may be called as and when required.
  
- (v) **Circular Resolutions**
  - A resolution in writing signed or approved via letter, telex, facsimile, email by all Committee members shall be effective for all purposes as a resolution passed at a meeting of the NRC duly convened, held and constituted. Any such resolution may be contained in a single document or may consist of several documents all in the like form signed by one or more members.

## DUTIES AND RESPONSIBILITY OF NRC

### NOMINATION

1.	To consider candidates for directorships within Gas Malaysia and its Group proposed by any director, shareholder, or Managing Director/Group Chief Executive Officer.
2.	<p>To consider and recommend to the Board suitable persons for appointment as Board Members and Group Chief Executive Officer / Executive Director and/or of Gas Malaysia, its Committees and its subsidiaries. In making its recommendations, the Committee will consider the candidates:-</p> <ul style="list-style-type: none"><li>• Skills, knowledge, expertise and experience;</li><li>• Professionalism;</li><li>• Commitment (including time commitment), contribution and performance;</li><li>• Integrity;</li><li>• In the case of candidates for the position of independent non-executive directors, the nomination committee will evaluate the candidates' ability to discharge such responsibilities/ functions as expected from independent non-executive directors; and</li><li>• Boardroom diversity including gender diversity.</li></ul>
3.	To annually review the performance of the Board Members of Gas Malaysia, its Committees and its Subsidiaries as well as the required mix of skills and experience and other qualities of the Board Members, including core competencies which Non-Executive Directors should bring to the Board.
4.	To annually assess the effectiveness of the Board as a whole, its Committees, the contribution of each individual Director, including Independent Non-Executive Directors, as well as the Group Chief Executive Officer. All assessments as evaluations carried out by the nomination committee in the discharge of all its function should be properly documented.
5.	To consider and recommend a policy regarding the period of service of Gas Malaysia's Executive and Non-Executive Directors and its Subsidiaries.
6.	To consider and recommend any other measures to upgrade the effectiveness of Gas Malaysia Board, its Committees and Board of Subsidiaries.
7.	To consider and recommend solution on issues of conflict of interest affecting Gas Malaysia Directors and Subsidiaries.
8.	To recommend the appointment of Nominees of Gas Malaysia to the Board of Subsidiaries. The Chairman of Gas Malaysia is given the mandate to finalise and recommend Nominee Directors of the Company to the respective Board of Subsidiaries.
9.	To review and recommend to the Board the succession plan of Gas Malaysia Group.

10.	To carry out such other assignments as may be delegated by Gas Malaysia Board.
11.	To review and recommend plan for succession of Chairman of the Board and Managing Director/ Group Chief Executive Officer as well as certain other senior management positions in the Gas Malaysia Group. Managing Director/ Group Chief Executive Officer annually will provides the Committee with an assessment of senior managers and their potential.
12.	To review the performance of the Managing Director/ Group Chief Executive Officer, Chief Financial Officer and Chief Operating Officer.
13.	<p>Fit and Proper responsibilities:-</p> <ul style="list-style-type: none"> <li>(a) The assessment of existing directors or candidates for nomination or appointment as a director of the Company and make recommendations to the Board on these matters;</li> <li>(b) Ensuring that appropriate fit and proper assessments are carried out for each Responsible Person;</li> <li>(c) Reporting to the Board about any matters that are relevant to a particular assessment of a Responsible Person's fitness and propriety;</li> <li>(d) Providing information to the Board on matters concerning the criteria and procedure for fit and proper assessments including addressing any gaps in the assessment; and</li> <li>(e) Ensuring that the Group takes all reasonable steps to protect the information and documents collected for fit and proper assessments from misuse, unauthorised access, modifications or disclosure.</li> </ul>

## **REMUNERATION**

1.	Review and recommend the general remuneration policy of Gas Malaysia. The level of remuneration should be aligned with the business strategy and long term objectives of the Company, complexity of the Company's activities, and reflects the experience and level of responsibilities undertaken by the Directors and senior management.
2.	Recommend the appointment and promotion of senior management of Gas Malaysia. Senior management would comprise executive at Grade 17 (i.e. General Manager) and above within the Gas Malaysia Group, determine their salaries and recommend salary revisions and improvements as are considered necessary together with fringe benefits, perquisites and bonus programmes.
3.	Review annually the compensation of directors.

4.	Recommend suitable short and long-term incentive plans including the setting of appropriate performance targets as well as a programme for management development.
5.	Carry out the such other assignments as may be delegated by Board.