



RESERVOIR LINK ENERGY BHD

TERM OF REFERENCE REMUNERATION AND NOMINATION COMMITTEE

DOCUMENT NO	POLICY	APPROVAL DATE	REVISION DATE
RLEB/TOR-RNC-003	TERM OF REFERENCE – REMUNERATION AND NOMINATION COMMITTEE	7/02/2022	0
RLEB/TOR-RNC-003	TERM OF REFERENCE – REMUNERATION AND NOMINATION COMMITTEE	23/03/2022	1

	PREPARED BY	VERIFIED BY	APPROVED BY
NAME	MOKHTAR HAJI ALI	BONG LEONG SUNG	BOARD OF DIRECTOR
DESIGNATION	GENERAL MANAGER – CORPORATE SERVICES	CHIEF FINANCIAL OFFICER	

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1. OBJECTIVES

To establish a policy that attracts maintains and retains a set of directors and key senior management personnel of requisite calibre and skill set to propel the Company towards greater prospects and sustainable growth. The policy is also linked to remuneration packages that place weightage on seniority, experience, time commitment and the Company's overall performance.

2. COMPOSITION

- a) The members of the Remuneration and Nomination Committee (“RNC”) are appointed by the Board of Directors.
- b) The Chairman of the Board shall not be a member of RNC.
- c) The RNC shall comprise at least three (3) board members; and shall comprise exclusively of non-executive directors and a majority of them must be independent directors.
- d) Alternate Directors shall not be appointed as a member of the RNC.
- e) The members of the RNC shall elect a Chairman from amongst themselves who shall be an independent director. In the absence of the Chairman of the Remuneration and Nomination Committee at any Remuneration and Nomination Committee meeting, the other independent members present thereat shall elect from among themselves a Chairman to chair the said meeting.
- f) The Company Secretary or their nominee shall act as the Secretary of the RNC.

3. FUNCTIONS

- a) The RNC shall function independently of management and strives for good corporate governance by ensuring that the process is carried out in an objective, transparent, thorough, and fair manner.
- b) Assists the Board to establish a formal and transparent procedure on the appointment and assessment of directors and the board committees.
- c) Review the character, experience, integrity, commitment, competency, qualifications, and track record of any proposed new nominees for the appointment to the Board.
- d) Reviewing the mix and balance of skills, knowledge, and experience in the composition of the Board between executive, non-executive, and independent directors by identifying skills needed and those individuals who might best provide them.
- e) To facilitate appropriateness, transparency, and accountability to shareholders on the issue of directors' remuneration, thus preventing payout of substantial remuneration packages without regard to the performance of the individual and the Company.

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- f) Setting the policy framework and making recommendations for approval by the Board with respect to matters relating to the remuneration of directors and senior management. The level of remuneration of which should reflect the directors' and senior management's merit, qualification and competencies and are comparable with market statistics.

4. AUTHORITY

- a) The RNC is authorised to obtain any outside legal or other professional advice in identifying suitably qualified candidates for appointment of new directors including the advice of independent consultants, to obtain reliable and updated information about remuneration in the marketplace. The RNC shall have full authority to commission any reports or surveys, that it deems necessary to help it fulfil its obligations.
- b) The RNC is authorised to seek any information it requires from any employee of the Company to perform its duties.
- c) The RNC is not authorised to make any decisions but is obliged to report its recommendations to the full board for decision.

5. DUTIES

- a) To review the scope of services of executive directors and senior management and recommend changes to the Board wherever necessary.
- b) To identify and nominate for the approval of the Board, candidates to fill board vacancies as and when they arise.
- c) To review the required mix of skills, experience, and other qualities, including core competencies, which non-executive directors should bring to the Board.
- d) To establish a mechanism for formal assessment of:
- the Board's effectiveness as a whole;
 - the contribution by each director to the effectiveness of the Board; and
 - the contribution of the Board's various committees.

Hence, recommend to the Board specific adjustments in the remuneration and/or reward payments, if any, reflecting their contributions for the year.

- e) To oversee the appointment, management succession planning and performance evaluation of the directors and recommend to the Board their removal if they are ineffective, errant, and negligent in discharging their responsibilities.
- f) The Committee shall make recommendations to the Board:
- as regards plans for succession of the Chairman and Executive Directors;

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- as regards the re-appointment of any non-executive director after his or her specified term of office; and
 - concerning the re-election by the shareholders of any director under the “retirement by rotation” provisions in the Company’s Constitution.
- g) To ensure that all directors undergo appropriate induction programs and receive continuous training.
- h) To review the term of office and performance of the Audit Committee and each of its members annually to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.
- i) To review and recommend to the Board the remuneration policy and procedures for executive directors and senior management.
- j) To review the remuneration packages of executive directors and senior management to ensure that they are commensurate with the scope of responsibilities and recommend changes to the Board whenever necessary.
- k) To review and determine the policy for and scope of pension arrangements, service agreements, termination payments and compensation commitments for executive directors and senior management.
- l) To recommend the fees and other benefits including board and committee meeting attendance allowance of directors for shareholders’ approval at Annual General Meeting.

6. PROCEEDINGS OF MEETINGS

- a) The quorum necessary for the transaction of business shall be two (2) of whom the majority shall be non-executive members.
- b) A duly convened meeting of the RNC at which a quorum is present shall be competent to exercise all or any of the authorities, powers and directions vested or exercisable by the RNC.
- c) The RNC shall meet not less than once a year and at such other times, as the Chairman of the RNC shall require.
- d) In the absence of a meeting, any issues shall be resolved through circular resolution.
- e) The Secretary shall minute the proceedings and resolutions of all RNC meetings, including the names of those present and in attendance.
- f) Minutes of RNC meetings shall be circulated to each member of the Remuneration Committee and made available on request to other members of the Board.
- g) A member of the RNC shall abstain from participating in discussions and decisions on matters directly involving him or her to avoid conflict of interest.

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7. APPROVAL AND REVISION

Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party, shall first be presented to the Board for its approval.

Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

The Terms of Reference is made available for reference in the Company's website at <https://reservoirlink.com>.

This Terms of Reference is approved by the Board of Directors of Reservoir Link Energy Bhd on 7 February 2020 and amended on 23 March 2022.