

PETRON MALAYSIA REFINING & MARKETING BHD

NOMINATING COMMITTEE CHARTER

1. CONSTITUTION

- 1.1 The Malaysian Code on Corporate Governance sets out broad principles of corporate governance and best practices that Petron Malaysia Refining & Marketing Bhd (“Company”) may use in its operations towards achieving an optimal governance framework. Consistent with these best practices, the board of directors (“Board”) has resolved to establish a committee of directors to be known as the Nominating Committee.
- 1.2 The purpose of the Nominating Committee is to assist the Board to carry out the functions set out in these Terms of Reference more efficiently.

2. MEMBERS

- 2.1 The Nominating Committee members shall be appointed by the Board and shall comprise of three (3) members who shall be independent and/ or non-executive directors.
- 2.2 A majority of members of the Nominating Committee shall be independent non-executive directors.
- 2.3 The Board shall appoint the chairperson of the Nominating Committee (“Chairperson”) who shall be an independent director.

3. RESPONSIBILITIES

- 3.1 The responsibilities of the Nominating Committee are to review and recommend to the Board on the following:
 - Candidates for independent/non-executive/executive directors proposed by the Chairman, directors, management or shareholders.
 - The effectiveness of individual directors, the Board committees and the overall Board on an on-going basis, based on criteria developed by the Nominating Committee.
 - Directors to fill the positions in Board committees.
 - Board succession plans including reporting as to whether an appropriate mix of skills, experience, expertise and diversity is maintained on the Board.
 - Candidates for Key Senior Management¹ positions as well as succession plans for the same.

¹ Key Senior Management personnel as identified in the Board Charter are the Chief Executive Officer, Chief Operating Officer, Chief Finance Officer and the Company Secretary, irrespective of the terminology used in practice by the Company in referring to them.

4. MEETINGS

- 4.1 The Nominating Committee shall meet as and when required by events for the purpose of reviewing candidates in respect of directorship and Key Senior Management personnel and succession planning, and annually for the purpose of assessing the effectiveness of individual directors and the overall Board.
- 4.2 A quorum shall be present if the meeting is attended by at least two (2) members of the Nominating Committee.
- 4.3 Recommendations of the Nominating Committee shall be made by unanimous agreement of its members present.
- 4.4 Minutes of all meetings shall be maintained by the Company Secretary.
- 4.5 The Constitution of the Company regulating the meetings and proceedings of the Board of directors so far as the same are applicable and not inconsistent with the provisions of these Terms of Reference shall apply, *mutatis mutandis*, to regulate the meetings and proceedings of the Nominating Committee.

5. REPORTING RESPONSIBILITIES

- 5.1 The Chairperson shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 5.2 The Nominating Committee shall make such recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 5.3 The Nominating Committee shall produce a report to be included in the Company's annual report about its activities.

6. EVALUATION

- 6.1 The Nominating Committee shall review its evaluation process from time to time and (where deemed necessary), appoint an independent adviser to review the evaluation process or even to conduct the evaluation, identify short-comings and propose changes to the process.

7. REVIEW OF TERMS OF REFERENCE

- 7.1 These Terms of Reference will be subject to review by the Board from time to time.
- 7.2 This document was reviewed on February 22, 2018.