

Updated as at 25 August 2016



BUMI ARMADA

BUMI ARMADA BERHAD

(370398 - X)

NOMINATION & CORPORATE GOVERNANCE COMMITTEE

TERMS OF REFERENCE



1. Status

The Nomination and Corporate Governance Committee (“Committee” or “NC”) is a committee of the Board of Directors (“Board”) of Bumi Armada Berhad (“BAB” or “Company”).

2. Composition

- (a) The Committee shall comprise of no fewer than three (3) members and exclusively of non-executive directors, a majority of whom shall be independent.
- (b) The Chairman of the Committee shall be an Independent Director appointed by the Board.
- (c) In the event of any vacancy in the Committee resulting in the non-compliance of paragraph 3(a) above, the Company must fill the vacancy within three (3) months.
- (d) All members shall hold office only for so long as they serve as Directors of the Company.
- (e) Members of the Committee may relinquish their membership in the Committee with prior written notice to the Secretary and may continue to serve as Directors of the Company.
- (f) The Secretary of the Committee shall be the Company Secretary or such other person as designated to be the Secretary of the Committee (referred to hereinafter as “Secretary”).

3. Meeting and Minutes

Calling of Meeting and Notice

- (a) The Committee shall meet as and when required upon request by the members, provided that the Committee shall meet at least once a year.
- (b) The Chairman of the Committee, or the Secretary on the requisition of the members, shall at any time summon a meeting of the members by giving three (3) days’ notice.

Quorum

- (c) No business shall be transacted at any meeting of the Committee unless a quorum is present. The quorum for each meeting shall be two (2) members of the Committee including the Chairman or in the absence of the Chairman, any two (2) members present shall form the quorum with the prior consent of the Chairman.

Participation at meeting

- (d) Attendance at a meeting may be by being present in person or by participating in the meeting by means of video or teleconference. In the case of a meeting held via teleconference, unless otherwise agreed or unless majority of the members



and/or other participants of the teleconference have congregated elsewhere, Kuala Lumpur shall be deemed as the venue of the teleconference meeting notwithstanding where the Chairman is calling from. If the Chairman and a majority of members are congregated elsewhere at one venue, then such place shall be deemed as the venue of the teleconference meeting.

- (e) The Committee may at its discretion and as the need arises, invite one or more persons to attend the meeting.

Minutes

- (f) Minutes of each meeting shall be distributed to each member of the Committee and the Board.
- (g) Minutes of each meeting once confirmed shall be signed by the Chairman of the Committee and kept at the registered office of the Company under the custody of the Secretary. The minutes may be open for the inspection of the Board members, external auditors and the internal auditors, and such other persons as deemed appropriate by the Committee or the Secretary.
- (h) The Chairman 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.
- (i) The Committee may deal with matters by way of circular resolutions in lieu of convening a formal meeting provided that at least two (2) members sign the resolution.

4. Duties & Responsibilities

The duties and responsibilities of the Committee are as follows:

(i) Review of composition, mix of skills, competencies and diversity

- (a) Formulate and recommend for Board adoption a Board Diversity Policy which shall be reviewed from time to time to determine the diversity attributes to be represented on the Board.
- (b) Evaluate and review the composition and determine optimum size of the Board having regard to the mix of skills, knowledge, experience, independence and diversity (including gender, age and ethnicity diversity) and other qualities including core competencies which non-executive directors should bring to the Board to meet the needs of the Company on annual basis or when considering new appointment to the Board.
- (c) Recommend to the Board the desired skills and competencies.
- (d) Set a timeline to meet and achieve measurable objectives to address diversity gaps on the Board.

(ii) Selection

- (a) Formulate the nomination, election, selection, assessment and succession policies for members of the Board and Board Committees.



- (b) Develop selection criteria and procedure for the selection of the members of the Board.
- (c) Recommend to the Board the candidates for directorships to be filled by the shareholders or the Board.
- (d) Formalise a transparent procedure for proposing new nominees to the Board and Board Committees.
- (e) Determine annually Directors due for retirement and re-election at the Annual General Meeting and consider their age and tenure in recommending their election, re-election or appointment by Shareholders or the Board.
- (f) In making its recommendation, consider the following criteria of the candidate:
 - character, skills, qualification, knowledge, expertise and experience of the candidate;
 - professionalism and integrity of the candidate;
 - contributions, competence and commitment of the candidate; and
 - in the case of a candidate for the position of an independent non-executive director, the candidate's ability to discharge such responsibilities/functions as expected from the independent non-executive director.
- (g) In making its recommendations, consider candidates for directorships proposed by the chief executive officer and, within the bounds of practicability, by any other senior executive or any Director or shareholder.
- (h) Recommend to the Board candidate to fill the seats on Board Committees in consultation with the Chairmen of those committees.
- (i) Review the participation of the Non-Executive Directors, Board balance and to determine if additional Board members are required and also to ensure that at least one-third of the Board is independent.

(iii) Succession

- (a) Review annually the Board and organization structure.
- (b) Develop and recommend to the Board a succession policy and programme for the Board and Key Management.
- (c) Determine the tenure / remaining tenure of Directors and identify potential successors.

(iv) Filling Vacancies-

- (a) Identify potential Board vacancies.
- (b) Source for new candidates for appointment to the Board and where necessary engage or enlist the assistance if a search consultant or firm to search for the appropriate candidate.
- (c) Recommend to the Board candidates nominated for appointments to fill Board and Board Committee vacancies.
- (d) Identify key Management positions, including those not previously identified, to meet the needs of the organization have a mechanism to monitor vacancies to be filled.



(v) Board Assessment-

The Committee shall develop a Board Assessment criteria to carry out the following:

- (a) Formulate and implement the criteria and process on annual evaluation of the Board as a whole, Board Committees and individual directors.
- (b) Review the terms of office and performance of the audit committee and each of its members annually.
- (c) Assist the Board to initiate and undertake the assessment of the Board, Board Committees and individual Directors.
- (d) Assess the effectiveness of the Board as a whole and the competencies, commitment, contribution and performance of the Committees, each individual director and each Board Committee member.
- (e) Consider and if necessary engage or enlist the assistance of independent consultants or firms to undertake the assessment.
- (f) Develop a timeline for the above assessments.
- (g) Document all assessments and evaluations carried out by the Committee in the discharge of all its functions and report the findings and recommendations to the Board.
- (h) Ensure action is taken to give effect to recommendations from the assessment and findings.

(vi) Induction and Training-

- (a) Assess the training needs of Directors on a continuing basis having regard to their roles on the Board and Board Committees to enable Directors to develop their knowledge and familiarise themselves with developments in the industry, business and regulatory environment and towards enhancing their contributions to the Company.
- (b) Develop induction, orientation and training programmes for the Directors and organise and or select on-going training for the Board and recommend these programmes to the Board.
- (c) Establish or facilitate a process with the facilitation of the Secretary to ensure Directors attend mandatory training for Directors.
- (d) Review the training attended by Directors.

(vii) Corporate Governance (“CG”)-

- (a) Develop and review from time to time a CG framework and CG Policy and Procedure having regard to the requirement.
- (b) Be aware of the governance and regulatory environment within which the Company operates.
- (c) Be mindful of the provisions of the Code and all applicable laws, regulations and guidelines and changes thereto and recommend to the Board relevant actions that need to be taken pursuant to these.



- (d) Review the policies, processes and measures in fulfilling the governance needs of the Company.
- (e) Review the CG report and statement and other reports and statements from time to time.

5. Powers and Authorities

- (a) Unless otherwise specified by the Board, the Committee shall not have delegated powers from the Board to implement its recommendations but shall be obliged to report its recommendations back to the full Board for consideration and implementation.
- (b) In carrying out its duties and responsibilities, the Committee shall have:
 - i) full, free and unrestricted access to any information, records, properties and personnel of the BAB Group; and
 - ii) the power to obtain independent professional advice and expertise necessary for the performance of its duties.
- (c) All members of the Committee shall have access to the advice and services of the Company Secretary.

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