

MALAYSIAN BULK CARRIERS BERHAD

NOMINATION & REMUNERATION COMMITTEE CHARTER

The purpose of the Nomination & Remuneration Committee (NRC) is to assist the Board in fulfilling its responsibilities for proposing new nominees to the Board, assessing directors on an on-going basis, reviewing composition and continuous education programme of the Board; reviewing and recommending matters relating to the remuneration of the Board and Management.

TERMS OF REFERENCE

1. Composition

The NRC shall consist of at least three (3) members but no more than six (6) members elected among the members of the Board, all of whom are Non-Executive Directors, with a majority of them being independent.

The members of the NRC shall elect a chairman from among their number, who shall be an Independent Non-Executive Director or Senior Independent Director.

2. Authority

The NRC is empowered to, in accordance with the procedures determined by the Board of Directors and at the cost of the Company:

- have full and unrestricted access to all information in relation to the Company and its subsidiaries (“the Group”);
- obtain external independent professional advice or assistance necessary for the performance of its duties.

3. Meetings and Attendance

The NRC shall meet at least once a year, with authority to convene additional meetings, as circumstances require.

The quorum for each meeting shall consist of a majority of Independent Non-Executive Directors. Directors, employees or others may attend meetings upon the invitation of the NRC.

4. NRC Circular Resolution

A resolution in writing signed by all members shall be valid and effectual as if it had been passed at a meeting of the NRC. Any such resolution may consist of several documents in the like form, each signed by one (1) or more members.

5. Duties and Responsibilities

The NRC shall, amongst others, discharge the following duties and responsibilities:

- (i) To recommend to the Board, suitable candidates for directorships to be filled by the shareholders or the Board, after taking into consideration the candidates' skills, knowledge, expertise, experience, professionalism, integrity and diversity. In the case of candidates for the position of Independent Director, to evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Director.
- (ii) In identifying candidates for appointment as directors, to consider recommendations from the Board or shareholder or to utilise independent sources to identify suitably qualified candidates.
- (iii) To recommend to the Board, re-appointment/re-election of Directors to the Board.
- (iv) To recommend to the Board, directors to fill the seats on Board Committees.
- (v) To assist the Board in reviewing the required mix of skills and experience and other qualities including core competencies of directors on annual basis.
- (vi) To review the size of the Board with a view to determining the adequacy of the number of directors, as well as diversity to serve on the Board and the Committees of the Board.
- (vii) To assess the effectiveness of the Board and Board Committees as a whole and the contribution of each individual director and Board Committee member on annual basis. The evaluation is undertaken by the Committee and facilitated by the Company Secretary. The Committee after review the results, submits its findings to the Board for assessment of the performance and effectiveness of the Board and Board Committees.
- (viii) To review and recommend, as appropriate, continuing education programmes for directors.
- (ix) To formulate the nomination, selection and succession policies for the members of the Board
- (x) To review on an annual basis, the independence and tenure of the Independent Director based on the criteria set in the Bursa Securities Main Market Listing Requirements and Malaysian Code on Corporate Governance.

Where the tenure of an Independent Director has exceeded a cumulative term of nine (9) years, to provide relevant justifications when seeking shareholders' approval in the event the Committee's recommendation is to retain the individual as an Independent Director serving more than nine (9) years.

- (xi) To review the terms of office and performance of the Audit Committee and each of its members annually and to determine whether the Audit Committee has carried out their duties in accordance to its terms of reference.
- (xii) To recommend to the Board, the level of remuneration of members of the Board, Board Committees and Senior Management which reflect the experience and level of responsibilities undertaken by them, in line with market practice.

6. Reporting to the Board

The NRC shall report its actions and any recommendations to the Board and shall conduct and present to the Board an annual performance evaluation of the NRC. The NRC shall review at least annually the adequacy of this terms of reference and recommend any proposed changes to the Board for approval.

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