

## BOARD COMPOSITION POLICY

### 1) Purpose

The Board of Directors ("**The Board**") of Scomi Group Bhd ("**the Company**" or "**Scomi**") intends that its members have the knowledge, skills and personal characteristics that applied together provide the Board with the capability required to carry out its responsibilities set out in the Board Charter (available at [www.scomigroup.com.my](http://www.scomigroup.com.my)).

### 2) Nomination and Appointment of New Directors

The nomination and appointment of new directors takes place within the parameters set out in the Terms of Reference of the Nomination and Remuneration Committee ("**NRC**").

The Board undertakes annual assessment evaluation of the Board as a whole and the individual Directors. This includes a review of the desirable mix of competencies, qualification, knowledge, skills, expertise and personal characteristics of Directors and any gaps that exist in the optimum mix of skills.

When it is determined that a new director is necessary to complement existing Directors, the Board first determines the target knowledge, skills and personal characteristics sought. Such evaluation criteria shall ensure that all candidates are fairly and equitably evaluated irrespective of, amongst others, sex, race, sexual orientation, age, disability, and religion or ethnic origin in compliance with the Company's Code of Conduct (available at [www.scomigroup.com.my](http://www.scomigroup.com.my)).

The NRC is then tasked with the responsibility of searching for and making a recommendation in relation to the appointment of a director. It goes about this task in one of two ways. It may use the wide network of people known to its members to identify possible candidates or it may brief a search consultant on the target knowledge, skills and personal characteristics sought then obtain a 'short list' of candidates. The Chairman of the NRC then interviews such shortlisted candidates.

The Chairman of the NRC then interviews such shortlisted candidates. The Chairman of the NRC shall make a recommendation to the NRC, which in turn shall make a recommendation to the Board and the desired candidate is invited to join the Board. A Director appointed to the Board in this manner will be put forward for election by the shareholders at the next Annual General Meeting immediately following their appointment.

### 3) Re-election of Existing Directors

Directors serve a maximum of three years on the board before they are required to stand for election by the shareholders at an Annual General Meeting. The process of board evaluation undertaken by the board provides the board with appropriate assessment of the performance of each director as well as the desirable mix of knowledge, skills and personal characteristics of board members and any gaps that exist in the optimum mix. The board takes these two matters into account in making its decision to recommend, or otherwise, that one of its number be re-elected as a director by the shareholders.

### 4) Independent Directors

At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members shall be Independent Directors, who are to provide independent judgment, experience and objectivity to the Board considerations so that the interests of all shareholders are taken into account by the Board.

In general, the tenure of an Independent Director shall not exceed a cumulative term of 9 years. However, this general rule shall not be applicable to any Independent Director, who is holding office as the chairman of the Company or any subsidiary that is listed on any securities exchange. In such case, the Director concerned shall be deemed an Independent Director provided:

- he fulfils the criteria set out in the definition of "Independent Director" set out in Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**LR**") or the relevant regulations governing entities listed on such other securities exchange; and
- he provides confirmation in writing that he is independent of the Management, the Board

and Major Shareholders and is free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interests of the Company and its subsidiaries ("**the Group**").

5) Review of the Board Composition Policy

This Board Composition Policy was adopted by the Board of Directors of Scomi Group Bhd on 8 January 2014. Any subsequent amendment to the Board Composition Policy can only be approved by the Board.

The Board Composition Policy shall be periodically reviewed and may be amended by the Board as it deems appropriate.

The Board Composition Policy is available on the Company's website at [www.scomigroup.com.my](http://www.scomigroup.com.my).