

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

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**BUMI ARMADA**

**BUMI ARMADA BERHAD**

(Company No. 370398-X)

(Incorporated in Malaysia under the Companies Act, 1965)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED ESTABLISHMENT OF A MANAGEMENT INCENTIVE PLAN FOR THE ELIGIBLE EMPLOYEES AND EXECUTIVE DIRECTORS OF BUMI ARMADA BERHAD AND ITS SUBSIDIARIES**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser*



**CIMB Investment Bank Berhad (18417-M)**

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting ("EGM") and the Form of Proxy for the EGM are enclosed in this Circular. The EGM will be held as follows:

- |  |          |  |
|--|----------|--|
| <b>Date and time of EGM</b>                                  | <b>:</b> | <b>Monday, 23 May 2016 at 11.30 a.m.</b> or immediately after the conclusion or the adjournment (as the case maybe) of our Twentieth Annual General Meeting which will be held at the same venue and on the same day at 10.00 a.m., whichever is the later |
| <b>Venue of EGM</b>  | <b>:</b> | <b>Ballrooms 1 &amp; 2, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia</b>  |
| <b>Last date and time for lodgement of the Form of Proxy</b> | <b>:</b> | <b>Saturday, 21 May 2016 at 11.30 a.m.</b>   |

If you are entitled to attend and vote at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf, subject to the Articles of Association of Bumi Armada Berhad. If you decide to do so, you must lodge the Form of Proxy for the EGM at the office of Bumi Armada Berhad's Share Registrars, Symphony Share Registrars Sdn Bhd, at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, by 11.30 a.m. on Saturday, 21 May 2016, which is not less than 48 hours before the time appointed for the EGM. The lodging of the Form of Proxy for the EGM will not preclude you from attending and voting in person at the EGM should you subsequently decide to do so.

This Circular is dated 28 April 2016

## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act, 1965
Articles	:	Articles of Association of Bumi Armada
Board	:	Board of Directors of Bumi Armada
Bumi Armada or Company	:	Bumi Armada Berhad (370398-X)
Bumi Armada Group or Group	:	Bumi Armada and its subsidiaries, collectively and in the context of the Proposed MIP, shall exclude any subsidiaries which are dormant
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
By-Laws	:	By-laws governing the Proposed MIP
CDS Account	:	A securities account established by Bursa Malaysia Depository Sdn Bhd for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities
CIMB	:	CIMB Investment Bank Berhad (18417-M)
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
ED	:	Executive Director
EGM	:	Extraordinary General Meeting
Eligible Employee	:	An employee of any company within our Group (including an ED) and includes any person who is proposed to be employed as an employee of our Group (including an ED), who is eligible to be selected to participate in the Proposed MIP on the terms set out in the By-Laws, and who fulfils the eligibility criteria set out in Section 2.2.3 of the main letter of this Circular
EPS	:	Earnings per Share
Existing ESOS	:	The 2011 Employee Share Option Scheme of our Company established on 28 June 2011 for the grant of Options to eligible employees of our Group and the EDs of our Company to subscribe for new Shares, which is valid for a period of 10 years and expiring on 27 June 2021
FYE	:	Financial year ended/ending
Grant	:	The entitlement to receive Shares under the Proposed MIP
Grantees	:	Selected Employees who accepted the Offer Grant
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	7 April 2016, being the latest practicable date prior to the date of this Circular

## DEFINITIONS *(cont'd)*

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Maximum Shares	:	Has the meaning ascribed to it in Section 2.2.1 of the main letter of this Circular
Memorandum	:	Memorandum of Association of our Company
MFRS 2	:	Malaysian Financial Reporting Standard 2 on Share-based Payment as issued by the Malaysian Accounting Standards Board
MIP Committee	:	A committee comprising such persons as may be appointed and duly authorised by our Board to implement and administer the Proposed MIP in accordance with the By-Laws
NA	:	Net assets
Offer	:	The offer comprising a Grant made in writing by the MIP Committee to a Selected Employee in accordance with the provisions of the By-Laws
Option	:	The right to subscribe for a new Share upon acceptance of an offer under the Existing ESOS
Person Connected	:	Shall have the same meaning given in Paragraph 1.01, Chapter 1 of the Listing Requirements as amended from time to time
Proposed MIP	:	Proposed management incentive plan for the Eligible Employees
RM	:	Ringgit Malaysia, the lawful currency of Malaysia
Selected Employee	:	An Eligible Employee selected by the MIP Committee to whom an Offer is to be made pursuant to the By-Laws
Shares	:	Ordinary shares of RM0.20 each in our Company
Trust	:	The trust as may be established to facilitate the implementation of the Proposed MIP
Trust Deed	:	The trust deed constituting the Trust, as may be entered into between our Company and the Trustee
Trustee	:	The trustee as may be appointed by our Company from time to time, to administer the trust for the Proposed MIP
USD	:	United States Dollar, the lawful currency of the United States of America

## DEFINITIONS *(cont'd)*

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All references to "**our Company**" or "**Bumi Armada**" in this Circular mean Bumi Armada Berhad and references to "**our Group**" mean our Company and our subsidiaries from time to time and in the context of the Proposed MIP, shall exclude any subsidiaries which are dormant. All references to "**we**", "**us**" and "**our**" in this Circular mean our Company or where the context requires, our Company and our subsidiaries.

All references to "**you**" and "**your**" in this Circular mean the shareholders of our Company, unless the context otherwise requires.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations and vice versa.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof in this Circular are due to rounding adjustments.

Any reference to any enactment in this Circular is a reference to that enactment, as for the time being amended or re-enacted.

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time of day and date respectively, unless otherwise stated.

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**NOTICE OF EGM**

**ENCLOSED**

**FORM OF PROXY**

**ENCLOSED**



BUMI ARMADA

**BUMI ARMADA BERHAD**

(Company No. 370398-X)

(Incorporated in Malaysia under the Companies Act, 1965)

**Registered Office:**

Level 21, Menara Perak  
24, Jalan Perak  
50450 Kuala Lumpur  
Malaysia

28 April 2016

**Board of Directors:**

Tunku Ali Redhaudin ibni Tuanku Muhriz (*Chairman/Independent Non-Executive Director*)  
Saiful Aznir bin Shahabudin (*Independent Non-Executive Director*)  
Alexandra Elisabeth Johanna Maria Schaapveld (*Independent Non-Executive Director*)  
Steven Leon Newman (*Independent Non-Executive Director*)  
Chan Chee Beng (*Executive Director/Acting Chief Executive Officer*)  
Shapoorji Pallonji Mistry (*Non-Independent Non-Executive Director*)  
Maureen Toh Siew Guat (*Non-Independent Non-Executive Director*)  
Shaharul Rezza bin Hassan (*Executive Director/Head of Offshore Marine Services*)  
Ravi Shankar Srinivasan (*Alternate Director to Shapoorji Pallonji Mistry*)

**To: Our Shareholders**

Dear Sir/Madam,

**PROPOSED ESTABLISHMENT OF A MANAGEMENT INCENTIVE PLAN FOR THE ELIGIBLE EMPLOYEES AND EXECUTIVE DIRECTORS OF BUMI ARMADA AND ITS SUBSIDIARIES**

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**1. INTRODUCTION**

On 31 March 2016, CIMB, on behalf of our Board, announced the proposed establishment and implementation by Bumi Armada of a management incentive plan for the Eligible Employees.

On 12 April 2016, CIMB, on behalf of our Company, announced that Bursa Securities had, vide its letter dated 12 April 2016, approved the listing of and quotation for such number of new Shares to be issued pursuant to the Proposed MIP on the Main Market of Bursa Securities, subject to the conditions as set out in Section 6(i) of the main letter of this Circular.

The purpose of this Circular is to provide you with the details of the Proposed MIP and to seek your approval for the resolution pertaining to the Proposed MIP to be tabled at our forthcoming EGM. The Notice of EGM and the Form of Proxy are enclosed in this Circular.

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED MIP TO BE TABLED AT OUR FORTHCOMING EGM.**

## 2. PROPOSED MIP

The Proposed MIP is intended to allow the award by our Company of the Grant of Shares, to be vested to the Selected Employees for the attainment of identified performance objectives of our Group.

The Proposed MIP will be implemented and administered by the MIP Committee. The MIP Committee will have the discretion in administering the Proposed MIP in accordance with the By-Laws.

### 2.1 Details of the Proposed MIP

The Grant is a performance share grant for our senior executives and EDs as well as our key employees, each selected on a basis designated by the MIP Committee. The Grant will be awarded annually and/or every 3-year period to the Selected Employees, subject to certain vesting conditions and after fulfillment of certain performance targets and/or other conditions as determined by the MIP Committee in accordance with the By-Laws, as described below:

- (i) certain vesting conditions will include the timing of vesting and number of Shares to be vested. The timing of vesting is expected to be on an annual basis and/or a duration (in terms of years) to be determined by the MIP Committee from time to time as it deems fit. The number of Shares to be vested during the vesting period will also be determined by the MIP Committee from time to time as it deems fit; and
- (ii) certain performance targets and/or other conditions that are applicable are based on corporate and/or business units performance, and individual performance. The corporate and/or business units performance targets may include, among other factors, total shareholders' return and/or financial performance targets/ratios of our Group such as EBITDA, profit after taxation, EPS, return on equity and/or free cashflow. The individual performance targets will be determined based on the key focus areas of the corporate and/or business units.

The final award of a Grant will be based on a certain percentage of an allocation payout (which is determined based on the achievement of our corporate and/or business units performance targets and/or other conditions) of the quantum allocated for the respective individual performance rating, at the point of vesting of the annual Grant. In the case where a Grant is awarded on every 3-year period, the number of Shares awarded under the Grant will be vested entirely at the end of the 3-year period.

The objective of the Grant is to promote loyalty and the attainment of higher performance for the development, growth and success of our Group and/or business units, as well as alignment in the strategic achievements of our Group. This will allow our senior executives and EDs to drive long term growth, performance and shareholders' value enhancement of our Group.

In implementing the Proposed MIP, the MIP Committee may at its discretion decide that the vesting of any Shares comprised in a Grant be satisfied by any of the following methods:

- (i) allotment and issuance of new Shares by our Company to the Grantees;
- (ii) acquisition of existing Shares from the Main Market of Bursa Securities by the Trustee, followed by the transfer of such Shares purchased by the Trustee to the Grantees;
- (iii) any other methods as may be permitted by the Act; or
- (iv) any combination of any of the above.

In considering the settlement mode of the Grant as described in (i) to (iv) above, the MIP Committee will take into consideration, amongst others, factors such as the prevailing market price of the Shares and the dilutive effects on our Company's share capital base, funding consideration and cash requirements of our Group.

The Shares to be vested pursuant to the Grant will not be subject to any retention period or restriction on transfer.

The MIP Committee shall have the discretion to determine or vary the terms and conditions of the Offer from time to time, such as the eligibility criteria and allocation with respect to each Grant, the timing and frequency of the award of such Grant, the performance targets and/or other conditions, and the vesting conditions.

## **2.2 Other salient terms and conditions of the Proposed MIP**

The other salient terms and conditions of the Proposed MIP include (without limitation) the following:

### **2.2.1 Maximum number of Shares available under the Proposed MIP**

The maximum number of Shares which may be made available under the Proposed MIP shall not, when aggregated with the total number of new Shares allotted and issued and/or to be allotted and issued under the Existing ESOS, exceed 10% of the total issued and paid-up share capital of our Company (excluding treasury shares) at any point of time during the duration of the Proposed MIP as set out in Section 2.2.4 of the main letter of this Circular ("**Maximum Shares**").

In the event the total number of Shares made available under the Proposed MIP combined with the Shares comprised in the Options that have been granted under the Existing ESOS ("**Aggregate Shares**") exceeds the Maximum Shares as a result of our Company purchasing or cancelling our Shares in accordance with section 67A of the Act and/or undertaking any other corporate proposals resulting in the reduction of our issued and paid-up share capital, all Grants awarded prior to such variation of our issued and paid-up share capital, shall remain valid and may vest in accordance with the provisions of the Proposed MIP as if that purchase and/or reduction had not occurred. However, no additional Offer shall be made until the Aggregate Shares fall below the Maximum Shares allowed.

### **2.2.2 Basis of allocation and maximum allowable allotment**

The maximum number of Shares that may be allocated to any one category or designation of Selected Employees shall be determined by the MIP Committee from time to time.

Notwithstanding the foregoing, the allocation to any individual Selected Employee who, either singly or collectively through Persons Connected with the said Selected Employee, holds 20% or more of the issued and paid-up share capital of our Company (excluding treasury shares), shall not exceed 10% of the Maximum Shares.



The aggregate maximum allocation to the EDs, senior management and key employees of our Group shall be 100% of the Maximum Shares. The basis of the above allocation was arrived at after taking into consideration that the Proposed MIP is targeted at the above group of employees in view of their contribution to the growth and performance of our Group as well as our Group's intention to reward and retain them as they play a vital role to the strategic direction and operations of our Group.

The breakdown of the allocation for any one category of the Selected Employees as mentioned above cannot be determined at this juncture as the allocation may vary from time to time during the duration of the Proposed MIP as it would depend on various factors including the number of Selected Employees and compensation mix for the Selected Employees. The MIP Committee, when determining the actual allocation to the above Selected Employees, will take into consideration, amongst others, the above factors.

The Eligible Employees who are Directors of our Company or any company within our Group, or who are in senior management, shall not participate in any deliberation or discussion on any Offer and/or their own allocations and/or allocations to Persons Connected with them.

The MIP Committee may, during the duration of the Proposed MIP, make one or more Offers to any Selected Employee, whom the MIP Committee may at its discretion select. Subject to the above limits, each Offer made to any Selected Employee by the MIP Committee shall be separate and independent from any previous or later Offer made by the MIP Committee to that Selected Employee.

### **2.2.3 Eligibility**

An employee of our Group (including our EDs) who meets the following criteria as at the date of Offer shall be eligible to be considered as an Eligible Employee to participate in the Proposed MIP:

- (i) has attained the age of 18 years and is not an undischarged bankrupt;
- (ii) is employed on a full-time basis and is on the payroll of any company within our Group and, has not served a notice of resignation or received a notice of termination;
- (iii) his/her employment has been confirmed in writing;
- (iv) is serving in a specific designation under an employment contract, whether on a permanent contract or for a fixed duration (or any other contract as may be determined by the MIP Committee); and
- (v) fulfills any other criteria and/or falls within such category as may be determined by the MIP Committee from time to time.

Subject to applicable laws, the MIP Committee may vary or revise any of the criteria set forth in this Section at any time and from time to time.

### **2.2.4 Duration of the Proposed MIP**

The Proposed MIP shall be in force for a period of 10 years commencing from the effective date of the implementation of the Proposed MIP, being the date of full compliance with all relevant provisions of the Listing Requirements in relation to the Proposed MIP, more particularly set out in the By-Laws.

## **2.2.5 Ranking of and rights to the Shares**

The new Shares to be allotted and issued pursuant to the vesting of the Grant under the Proposed MIP shall, upon allotment and issuance, rank equally in all respects with the then existing issued Shares.

The new Shares to be allotted and issued pursuant to the vesting of the Grant under the Proposed MIP shall not be entitled to any voting rights, dividends, rights, allotments, distributions and/or any other entitlements, for which the entitlement date is prior to the date on which the new Shares are credited into the CDS Accounts of the respective Grantees.

The existing Shares to be transferred from the Trustee to the Grantees shall rank equally in all respects with the then existing issued Shares. For the avoidance of doubt, any voting right, dividend, right, allotment, distribution and/or any other entitlement which are attributable to the Shares held by the Trustee but which are not transferred, vested or given to any Grantees shall accrue to the Trustee and be dealt with in accordance with the Trust Deed.

The existing Shares to be transferred pursuant to the vesting of the Grant under the Proposed MIP shall not be entitled to any voting rights, dividends, rights, allotments, distributions and/or any other entitlements, for which the entitlement date is prior to the date on which the Shares are credited into the CDS Accounts of the respective Grantees.

The Shares shall be subject to all the provisions of our Articles in relation to their voting rights, transfer, transmission, rights arising from liquidation of our Company, or otherwise.

## **2.2.6 Listing of and quotation for the new Shares**

The new Shares to be allotted and issued pursuant to the Proposed MIP will be listed and quoted on the Main Market of Bursa Securities.

## **2.2.7 Alteration of share capital and adjustment**

If the MIP Committee so decides (but not otherwise), in the event of any alteration in the capital structure of our Company during the duration of the Proposed MIP, whether by way of capitalisation of profits or reserves, rights issues, bonus issues, capital reduction (save for set off against accumulated losses), capital repayment, sub-division or consolidation of capital, or declaration of any special dividend or distribution or otherwise howsoever taking place, such corresponding alterations (if any) may be made to the Proposed MIP in:

- (i) the number of unvested Shares comprised in a Grant; and/or
- (ii) the method and/or manner in the vesting of the Shares comprised in a Grant,

and such alterations shall be implemented in a manner so as to give the Grantee a fair and reasonable Grant entitlement.

The issue of securities as consideration for an acquisition, pursuant to, among others, a special issue, private placement, a share buy-back arrangement, an issuance of convertible securities and/or an issuance/allotment of Shares upon the vesting of Shares comprised in a Grant, will not be registered as circumstances requiring such adjustments.

Any such alterations (other than for adjustments made pursuant to a bonus issue) shall be certified in writing by our external auditor or adviser (which must be a principal adviser under the Guidelines on Principal Advisers for Corporate Proposals issued by the Securities Commission Malaysia) (acting as an expert and not an arbitrator) as being in its opinion fair and reasonable and such certification shall be final and binding in all respects provided that such alteration or adjustment are made in accordance with the provisions of the By-Laws.

#### **2.2.8 Amendment, variation and/or modification to the By-Laws**

The terms and conditions of the By-Laws and the Proposed MIP may at any time and from time to time be added, amended, modified and/or deleted as may be permitted or deemed necessary by the relevant regulatory authorities or deemed necessary by our Board or the MIP Committee. However, clause 13.2 of the By-Laws provides that shareholders' approval would be required with respect to:

- (i) any addition, amendment, modification and/or deletion to the By-Laws which would increase the number of Shares beyond the Maximum Shares allowed under the Proposed MIP; or
- (ii) any addition, amendment, modification and/or deletion to certain clauses in the By-Laws (which relate to, among others, maximum allocation under the Proposed MIP, eligibility of the participants under the Proposed MIP, duration of the Proposed MIP, rights attaching to the Shares under the Proposed MIP, the manner of acceptance of Offer under the Proposed MIP, and the adjustment to the number of Shares comprised in a Grant and/or the vesting conditions in the event of alteration in the capital structure of the Company) if such addition, deletion, modification and/or amendment would provide an advantage to any Selected Employee.

#### **2.2.9 Trust arrangement**

Where existing Shares are to be transferred to the Grantees under the Proposed MIP, our Company will establish a Trust to be administered by the Trustee for purposes of acquiring existing Shares from the Main Market of Bursa Securities in accordance with the Trust Deed, at such times as the MIP Committee shall direct. To enable the Trustee to acquire existing Shares for the purpose of the Proposed MIP and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise from our Company. The MIP Committee shall have the discretion to direct the Trustee to acquire existing Shares at any time and from time to time and also to revoke or suspend any such direction that has earlier been given to the Trustee.

The Trustee shall administer the Trust in accordance with the Trust Deed. Our Company shall have the power from time to time to appoint or rescind the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. For avoidance of doubt, our Company has not appointed any Trustee at this juncture.

### **2.3 Existing ESOS**

We had on 28 June 2011 established the Existing ESOS (in conjunction with our initial public offering and listing on the Main Market of Bursa Securities on 21 July 2011), for the grant of Options to eligible employees of our Group and the EDs of our Company, to subscribe for new Shares not exceeding in aggregate 10% of the issued and paid-up share capital of our Company at any time during the subsistence of the Existing ESOS. The Existing ESOS is valid for a period of 10 years and will expire on 27 June 2021.

The salient features and information of the Existing ESOS is set out in **Appendix I** of this Circular.

### **3. UTILISATION OF PROCEEDS**

No proceeds will be raised from the Proposed MIP given that the new Shares to be allotted and issued, and/or existing Shares to be acquired and transferred to the Grantees would not require any payment by the said Grantees.

### **4. RATIONALE FOR THE PROPOSED MIP**

Our Company intends to cease awarding further Options under the Existing ESOS commencing from the year 2016. It is intended that both the Existing ESOS and the Proposed MIP will be implemented concurrently. For the avoidance of doubt, the outstanding Options that remain valid and exercisable will continue to be governed by the by-laws of the Existing ESOS.

The Proposed MIP is intended to serve as a long term incentive plan that aligns our Eligible Employees' interests with the long term objectives and business strategies of our Group. The Proposed MIP will form part of the total remuneration structure for our Eligible Employees, as an integral part of our Group's total reward strategy in providing commensurate remuneration and benefits. It is to complement the existing remuneration structure of our Group which, among others, includes a basic salary and a variable cash bonus.

In addition, the Proposed MIP is intended to:

- (i) reward and retain our Eligible Employees whose contributions are vital to the businesses, continued growth and profitability of our Group;
- (ii) motivate each Eligible Employee to optimise his/her performance standards and maintain high level contributions through greater levels of commitment and ownership to our Group;
- (iii) align the interest of our Eligible Employees through the Proposed MIP to focus on long term financial performance and our shareholders' value enhancement via equity participation; and
- (iv) attract potential skilled and experienced individuals to join our Group and create value to our shareholders.

## 5. EFFECTS OF THE PROPOSED MIP

### 5.1 Issued and paid-up share capital

The Proposed MIP is not expected to have any immediate effect on the existing issued and paid-up share capital of our Company. However, the issued and paid-up share capital of our Company may increase progressively depending on the number of new Shares to be allotted and issued pursuant to the vesting of the Grant under the Proposed MIP.

Strictly for illustrative purposes, assuming the Maximum Shares are made available under the Proposed MIP and are fully granted and vested by issuance of new Shares, the proforma effects of the Proposed MIP on our issued and paid-up share capital are set out in the table below:

	<sup>(1)</sup> Minimum Scenario		<sup>(1)</sup> Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
	000	000	000	000
Issued and paid-up share capital as at the LPD	5,866,269	1,173,253	5,866,269	1,173,253
To be issued pursuant to full exercise of the outstanding Options under the Existing ESOS	-	-	92,761	18,552
	<u>5,866,269</u>	<u>1,173,253</u>	<u>5,959,030</u>	<u>1,191,805</u>
To be issued pursuant to the Proposed MIP	<sup>(2)</sup> 489,193	97,839	<sup>(3)</sup> 498,469	99,694
<b>Enlarged issued and paid-up share capital (after the Proposed MIP)</b>	<b><u>6,355,462</u></b>	<b><u>1,271,092</u></b>	<b><u>6,457,499</u></b>	<b><u>1,291,499</u></b>

#### Notes:

- (1) Assumes no further grant of Options under the Existing ESOS.
- (2) Computed after deducting 92,760,759 outstanding Options granted under the Existing ESOS (which remain valid and are exercisable anytime during the duration of the Existing ESOS) and 4,673,100 Shares which were allotted and issued pursuant to the exercise of Options.
- (3) Computed after deducting 92,760,759 outstanding Options granted under the Existing ESOS (which are assumed to be allotted and issued pursuant to the exercise of Options) and 4,673,100 Shares which were allotted and issued pursuant to the exercise of Options.

## 5.2 Substantial shareholders

The Proposed MIP is not expected to have any immediate effect on the substantial shareholders' shareholdings in our Company until such time as and when the new Shares are allotted and issued pursuant to the vesting of the Grant. Any potential effect on the substantial shareholders' shareholdings in our Company in the future would depend upon the number of new Shares allotted and issued at the relevant point in time.

Strictly for illustrative purposes, assuming the Maximum Shares are made available under the Proposed MIP, and are fully granted and vested by issuance of new Shares, the proforma effects of the Proposed MIP on the shareholdings of our substantial shareholders based on the Minimum Scenario and Maximum Scenario as illustrated in Section 5.1 of the main letter of this Circular are set out in the table below:

Name	As at the LPD				Minimum Scenario				Maximum Scenario			
	Direct		Indirect		After the Proposed MIP		After the Proposed MIP		After the Proposed MIP		After the Proposed MIP	
	No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares	
	million	%	million	%	million	%	million	%	million	%	million	%
Objektif Bersatu Sdn Bhd	2,048	34.92	-	-	2,048	32.23	-	-	2,048	31.72	-	-
Employees Provident Fund Board	449	7.65	-	-	449	7.07	-	-	449	6.95	-	-
AmanahRaya Trustee Berhad (Amanah Saham Bumiputera)	448	7.64	-	-	448	7.05	-	-	448	6.94	-	-
Ombak Damai Sdn Bhd	*405	6.90	-	-	*405	6.37	-	-	*405	6.27	-	-
Dato' Ahmad Fuad bin Md Ali	2	0.03	<sup>(1)</sup> 405	6.90	2	0.03	<sup>(1)</sup> 405	6.37	2	0.03	<sup>(1)</sup> 405	6.27
Datuk Abdul Farish bin Abd Rashid	1	0.02	<sup>(1)</sup> 405	6.90	1	0.02	<sup>(1)</sup> 405	6.37	1	0.02	<sup>(1)</sup> 405	6.27
Saluran Abadi Sdn Bhd	-	-	<sup>(2)</sup> 360	6.14	-	-	<sup>(2)</sup> 360	5.66	-	-	<sup>(2)</sup> 360	5.58
Farah Suhanah binti Ahmad Sarji	-	-	<sup>(3)</sup> 360	6.14	-	-	<sup>(3)</sup> 360	5.66	-	-	<sup>(3)</sup> 360	5.58
Mutu Saluran Sdn Bhd	-	-	<sup>(4)</sup> 2,048	34.92	-	-	<sup>(4)</sup> 2,048	32.23	-	-	<sup>(4)</sup> 2,048	31.72
Usaha Tegas Sdn Bhd	-	-	<sup>(5)</sup> 2,048	34.92	-	-	<sup>(5)</sup> 2,048	32.23	-	-	<sup>(5)</sup> 2,048	31.72
Pacific States Investment Limited	-	-	<sup>(6)</sup> 2,048	34.92	-	-	<sup>(6)</sup> 2,048	32.23	-	-	<sup>(6)</sup> 2,048	31.72
Excorp Holdings N.V.	-	-	<sup>(7)</sup> 2,048	34.92	-	-	<sup>(7)</sup> 2,048	32.23	-	-	<sup>(7)</sup> 2,048	31.72
PanOcean Management Limited	-	-	<sup>(7)</sup> 2,048	34.92	-	-	<sup>(7)</sup> 2,048	32.23	-	-	<sup>(7)</sup> 2,048	31.72
Ananda Krishnan Tatparanandam	-	-	<sup>(8)</sup> 2,048	34.92	-	-	<sup>(8)</sup> 2,048	32.23	-	-	<sup>(8)</sup> 2,048	31.72

**Notes:**

- \* *Including Shares held under nominee accounts.*
- (1) *Deemed interest by virtue of their respective shareholdings in Ombak Damai Sdn Bhd pursuant to Section 6A of the Act.*
- (2) *Deemed interest by virtue of its shareholdings in the Saluran Abadi Sdn Bhd (“SASB”) subsidiaries, Karisma Mesra Sdn Bhd, Wijaya Baiduri Sdn Bhd and Wijaya Sinar Sdn Bhd (collectively, “SASB Subsidiaries”) pursuant to Section 6A of the Act. The Shares held via the SASB Subsidiaries are held under discretionary trusts for Bumiputera objects. As such, SASB does not have any economic interest in the Shares held by the SASB Subsidiaries, as such interest is held subject to the terms of discretionary trusts.*
- (3) *Deemed interest by virtue of her shareholding in SASB pursuant to Section 6A of the Act. However, she does not have any economic interests in the Shares held via the SASB Subsidiaries, as such interest is held subject to the terms of discretionary trusts for Bumiputera objects. See Note (2) above for SASB’s deemed interest in the Shares.*
- (4) *Deemed interest by virtue of its shareholding in Objektif Bersatu Sdn Bhd pursuant to Section 6A of the Act.*
- (5) *Usaha Tegas Sdn Bhd (“UTSB”) is deemed to have an interest in all of the Shares in which Mutu Saluran Sdn Bhd (“MSSB”) has an interest, by virtue of UTSB being entitled to exercise 100% of the votes attached to the voting shares of MSSB. See Note (4) above for MSSB’s deemed interest in the Shares.*
- (6) *Pacific States Investment Limited (“PSIL”) is deemed to have an interest in all of the Shares in which UTSB has an interest, by virtue of PSIL being entitled to exercise 99.999% of the votes attached to the voting shares of UTSB. See Note (5) above for UTSB’s deemed interest in the Shares.*
- (7) *The Shares in PSIL are held by Excorp Holdings N.V. which is in turn held 100% by PanOcean Management Limited (“PanOcean”). See Note (6) above for PSIL’s deemed interest in the Shares. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam (“TAK”) and foundations including those for charitable purposes. Although PanOcean is deemed to have an interest in the Shares, it does not have any economic or beneficial interest over such Shares, as such interest is held subject to the terms of the discretionary trust.*
- (8) *TAK is deemed to have an interest in the Shares, by virtue of his deemed interest in PanOcean. See Note (7) above for PanOcean’s deemed interest in the Shares. Although TAK is deemed to have an interest in the Shares, he does not have any economic or beneficial interest over such Shares, as such interest is held subject to the terms of the discretionary trust referred to in Note (7) above.*

### **5.3 NA and gearing**

The Proposed MIP is not expected to have any material effect on the consolidated NA per Share and the gearing of our Group until such time as and when the new Shares are allotted and issued pursuant to the vesting of the Grant. Any potential effect on the consolidated NA per Share and the gearing of our Group in the future would depend upon the number of new Shares allotted and issued, which can only be determined at the point of vesting of the Grant and the mode of settlement of the Grant at the date of vesting.

Nonetheless, assuming the effects of the Proposed MIP only and excluding the effects of the future earnings contribution to our Group, the consolidated NA per Share will decrease immediately following the allotment and issuance of new Shares to satisfy any Grants pursuant to the Proposed MIP.

Notwithstanding the above, the Proposed MIP is not expected to have any material effect on the consolidated NA per Share and the gearing of our Group for the FYE 31 December 2016.

### **5.4 Earnings**

Under the MFRS 2, the potential cost of awarding the Grant under the Proposed MIP, after taking into account, among others, the number of Shares vested and price of the Shares, will need to be measured at fair value on the date of the Grant and recognised as an expense in the consolidated statement of income over the vesting period of such Shares under the Grant.

The extent of the effect of the Proposed MIP on our Group's earnings and EPS cannot be determined at this juncture as it would depend on various factors that affect the fair value of the Shares as at the respective dates of the Grant. However, it is important to note that the potential cost of awarding the Grant under the Proposed MIP does not represent a cash outflow and is only an accounting treatment. There will be a cash outflow in the event our Company provides funding to the Trustee to acquire existing Shares from the Main Market of Bursa Securities.

Strictly for illustrative purposes, excluding the effects on the future earnings contribution to our Group and the potential cost of awarding the Grant under MFRS 2, the Proposed MIP will have a dilutive effect on our Group's EPS due to the increase in the number of Shares resulting from the Grant should there be any allotment and issuance of new Shares to satisfy any Grants pursuant to the Proposed MIP.

Our Board will take into consideration the potential impact of the relevant applicable accounting standards on our Group's future earnings when considering allocation and granting of the Offer to our Eligible Employees.

The estimated expenses in relation to the Proposed MIP (excluding the potential cost of awarding the Grant under MFRS 2) is approximately RM1 million, which will be funded through our internally-generated funds.

### **5.5 Convertible securities**

As at the LPD, save for the 92,760,759 outstanding Options under the Existing ESOS, our Company does not have any existing convertible securities.

The Proposed MIP would not have any effect on the terms and conditions of the Existing ESOS.



## 6. APPROVALS REQUIRED

The Proposed MIP is subject to approvals being obtained from the following:

- (i) Bursa Securities, for the listing of and quotation for such number of new Shares to be issued pursuant to the Proposed MIP on the Main Market of Bursa Securities, which was obtained on 12 April 2016, subject to the following conditions; and

No.	Condition imposed	Status of compliance
1.	Our Company and CIMB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed MIP.	Noted. To be complied, where applicable
2.	CIMB is required to submit a confirmation to Bursa Securities of full compliance of the Proposed MIP pursuant to paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed MIP.	To be complied
3.	Our Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of new Shares listed pursuant to the Proposed MIP as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

- (ii) our shareholders at the forthcoming EGM.

## 7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of our Shares as traded on the Main Market of Bursa Securities for the past 12 months from April 2015 to March 2016 are as follows:

	High	Low
	RM	
<b>2015</b>		
April	1.263	0.987
May	1.292	1.184
June	1.312	1.11
July	1.20	1.04
August	1.12	0.765
September	1.01	0.79
October	1.05	0.915
November	1.16	0.97
December	1.08	0.98
<b>2016</b>		
January	1.05	0.895
February	1.06	0.955
March	1.01	0.75

The closing market price on 30 March 2016, being the last trading day immediately before the announcement of the Proposed MIP RM0.775

The closing market price on 25 April 2016, being the latest practicable date before the printing of this Circular RM0.78

(Source: Bloomberg)

**8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED**

None of our Directors, major shareholders and/or Persons Connected with them has any interest, direct and/or indirect, in the Proposed MIP.

In the event that our Company desires to allocate any Grant under the Proposed MIP to any of our EDs during the duration of the Proposed MIP, the said EDs will abstain and will continue to abstain from deliberating and voting on their respective entitlements under the Grant at the relevant Board meetings of our Company. Additionally, separate approval in respect of the Grant of the relevant entitlements will be sought from our shareholders at an EGM to be convened.

**9. DIRECTORS' STATEMENT AND RECOMMENDATION**

After having considered all aspects of the Proposed MIP, including but not limited to the rationale and effects of the Proposed MIP as set out in Sections 4 and 5 of the main letter of this Circular, our Board is of the opinion that the Proposed MIP is in the best interest of our Group. Accordingly, our Board recommends that you vote in favour of the resolution in relation to the Proposed MIP to be tabled at our forthcoming EGM.

**10. OUTSTANDING CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposed MIP as set out in this Circular and as disclosed below, we do not have any outstanding corporate exercise/scheme which has been announced but pending completion as at 25 April 2016, being the latest practicable date before the printing of this Circular:

On 13 August 2013, we announced that our wholly-owned subsidiary, Bumi Armada Capital Offshore Ltd had on 6 August 2013 entered into documentation for the establishment of a Multi Currency Euro Medium Term Note Programme with a programme size of USD1.5 billion (or its equivalent in other currencies) ("**EMTN Programme**").

An application has been made to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for permission to deal in, and for quotation of, any medium term notes ("**Notes**") that may be issued pursuant to the EMTN Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. An application will be submitted to Bursa Securities for listing of the Notes under the Exempt Regime. The Notes to be issued under the EMTN Programme may be listed on Bursa Securities but will not be quoted for trading. No Notes have been issued yet under the EMTN Programme.

The Proposed MIP is not conditional or inter-conditional upon the abovementioned corporate exercise/scheme and/or any other corporate exercise/scheme.

**11. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, we expect to implement the Proposed MIP by the fourth quarter of 2016.

**12. EGM**

Our EGM will be held at 11.30 a.m. on Monday, 23 May 2016, at Ballrooms 1 & 2, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia or immediately after the conclusion or the adjournment (as the case maybe) of our Twentieth Annual General Meeting which will be held at the same venue and on the same day at 10.00 a.m., whichever is the later, for the purpose of considering and, if thought fit, passing, the resolution as set out in the Notice of EGM enclosed herein to approve and to give effect to the Proposed MIP. You are advised to refer to the Notice of EGM and the Form of Proxy which are enclosed in this Circular.

Subject to our Articles, you may appoint a proxy or proxies to attend and vote on your behalf. If you decide to do so, you are requested to complete and return the enclosed Form of Proxy, in accordance with the instructions contained therein as soon as possible and in any event, so as to arrive at the office of our Share Registrars, Symphony Share Registrars Sdn Bhd, at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia by 11.30 a.m. on Saturday, 21 May 2016 which is not less than 48 hours before the time appointed for the EGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at our forthcoming EGM should you subsequently decide to do so.

**13. FURTHER INFORMATION**

You are requested to refer to the attached appendices for further information.

Yours faithfully  
for and on behalf of the Board of  
**BUMI ARMADA BERHAD**

**Tunku Ali Redhauddin ibni Tuanku Muhriz**  
Chairman/Independent Non-Executive Director

**SALIENT FEATURES AND INFORMATION OF THE EXISTING ESOS**

A summary of the salient features and information of the Existing ESOS is set out below:

Implementation date	:	28 June 2011															
Duration of the Existing ESOS	:	10 years															
Expiry date	:	27 June 2021															
Eligible grantees	:	The eligibility for participation in the Existing ESOS shall be determined at the discretion of our Board or the Existing ESOS committee appointed by our Board, but shall include employees of our Group who has a written employment contract and any ED of our Company															
Maximum number of Shares that may be issued under the Existing ESOS	:	Such number of new Shares representing in aggregate 10% of our Company's issued and paid-up share capital at any one time															
Number of Options granted, exercised, lapsed/forfeited and outstanding under the Existing ESOS	:	<b>Since the establishment of the Existing ESOS and up to the LPD</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;"><b>No. of Options</b></th> </tr> <tr> <th style="text-align: center;"><b>EDs</b></th> <th style="text-align: center;"><b>Total</b></th> </tr> <tr> <th style="text-align: center;"><b>000</b></th> <th style="text-align: center;"><b>000</b></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Options granted</td> <td style="text-align: center;">128,620</td> </tr> <tr> <td style="text-align: center;">Options exercised</td> <td style="text-align: center;">4,673</td> </tr> <tr> <td style="text-align: center;">Options lapsed/forfeited</td> <td style="text-align: center;">31,186</td> </tr> <tr> <td style="text-align: center;">Options unexercised and outstanding</td> <td style="text-align: center;">92,761</td> </tr> </tbody> </table>	<b>No. of Options</b>		<b>EDs</b>	<b>Total</b>	<b>000</b>	<b>000</b>	Options granted	128,620	Options exercised	4,673	Options lapsed/forfeited	31,186	Options unexercised and outstanding	92,761
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Options granted	128,620																
Options exercised	4,673																
Options lapsed/forfeited	31,186																
Options unexercised and outstanding	92,761																
Allocation to Directors and senior management of our Group	:	<table border="0"> <tr> <td style="text-align: center;"><b>Maximum allocation</b></td> <td style="text-align: center;"><b>Actual percentage granted since the establishment of the Existing ESOS and up to the LPD</b></td> </tr> <tr> <td style="text-align: center;">50% of the total number of new Shares to be issued under the Existing ESOS</td> <td style="text-align: center;">About 19% of the total number of new Shares to be issued under the Existing ESOS, have been granted</td> </tr> </table>	<b>Maximum allocation</b>	<b>Actual percentage granted since the establishment of the Existing ESOS and up to the LPD</b>	50% of the total number of new Shares to be issued under the Existing ESOS	About 19% of the total number of new Shares to be issued under the Existing ESOS, have been granted											
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50% of the total number of new Shares to be issued under the Existing ESOS	About 19% of the total number of new Shares to be issued under the Existing ESOS, have been granted																
Governing document	:	By-laws of the Existing ESOS															

DRAFT BY-LAWS

**BUMI ARMADA BERHAD**

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**BY-LAWS GOVERNING  
THE BUMI ARMADA BERHAD 2016 MANAGEMENT INCENTIVE PLAN**

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## BY-LAWS GOVERNING THE BUMI ARMADA BERHAD 2016 MANAGEMENT INCENTIVE PLAN

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### 1. DEFINITIONS AND INTERPRETATION

1.1 In these By-Laws, except where the context otherwise requires, the following expressions shall have the following meanings:

- (a) **"Acquirer"** is as defined in clause 34.
- (b) **"Adviser"** means a corporate finance adviser that may act as a principal adviser under the SC's Guidelines on Principal Advisers for Corporate Proposals (as amended from time to time).
- (c) **"Affected Employee"** is as defined in clause 19.
- (d) **"Aggregate Shares"** is as defined in clause 3.2.
- (e) **"Board"** means the Board of Directors of the Company.
- (f) **"Bursa Depository"** means Bursa Malaysia Depository Sdn. Bhd. (165570-W).
- (g) **"Bursa Securities"** means Bursa Malaysia Securities Berhad (635998-W).
- (h) **"By-Laws"** means these By-Laws governing the MIP, as amended, modified and/or supplemented from time to time.
- (i) **"CDS"** means the Central Depository System governed under SICDA.
- (j) **"CDS Account"** means the account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities, and **"CDS Accounts"** shall be construed accordingly.
- (k) **"Companies Act"** means the Companies Act 1965, as amended from time to time.
- (l) **"Company"** means Bumi Armada Berhad (370398-X).
- (m) **"Director"** means a natural person who is a director for the time being of the Company, and **"Directors"** shall be construed accordingly.
- (n) **"Effective Date"** means the date the MIP takes effect, being the date of full compliance with all relevant requirements of the Listing Requirements more particularly set forth in clause 7.
- (o) **"Eligible Employee"** means (subject to clause 20.2) a person:
  - (i) who is an employee and/or Executive Director of a Group Member, and includes any person who is proposed to be employed, engaged or appointed as an employee of a Group Member; and
  - (ii) who has been determined to be eligible for participation in the MIP pursuant to clause 5.1,

and **"Eligible Employees"** shall be construed accordingly.



- (p) **"Excluded Entities"** means, in relation to the Company for the purposes of the MIP, any one of the following:
- (i) Subsidiaries which are listed on any stock exchange or over-the-counter market; and
  - (ii) Subsidiaries which are dormant.
- (q) **"Executive Director"** means a Director of a Group Member who is involved in the day-to-day management of any Group Member under a contract of service.
- (r) **"Grant"** means an Offer which has been accepted by a Selected Employee, and **"Grants"** shall be construed accordingly.
- (s) **"Grant Date"** means the date of a Grant.
- (t) **"Group"** means, collectively, the Company and its Subsidiaries (excluding Excluded Entities).
- (u) **"Group Member"** means any corporation comprised in the Group, and **"Group Members"** shall be construed accordingly.
- (v) **"Listing Requirements"** means the Main Market Listing Requirements of Bursa Securities, as amended from time to time.
- (w) **"Market Day"** means a day on which Bursa Securities is open for trading in securities, and **"Market Days"** shall be construed accordingly.
- (x) **"Maximum Allowable Allocation"** means the aggregate maximum number of Shares that may be allocated to any one category/designation of Selected Employees pursuant to clause 4.
- (y) **"Maximum Shares Available"** is as defined in clause 3.1.
- (z) **"MIP"** means the Bumi Armada Berhad 2016 Management Incentive Plan established under, and governed by these By-Laws.
- (aa) **"MIP Committee"** means a committee comprising such persons as may be appointed and duly authorised by the Board to implement and administer the MIP in accordance with these By-Laws.
- (bb) **"MIP Participant"** means a Selected Employee who has duly accepted an Offer in accordance with these By-Laws, and **"MIP Participants"** shall be construed accordingly.
- (cc) **"MIP Period"** means the duration of the MIP as set forth in clause 7.1.
- (dd) **"MIP Termination Date"** is as defined in clause 8.1.
- (ee) **"Offer"** means an offer made in writing by the MIP Committee to a Selected Employee pursuant to the MIP, and **"Offers"** shall be construed accordingly.
- (ff) **"Offer Date"** means the date on which an Offer is made or deemed made by the MIP Committee to a Selected Employee, which shall be the date the Offer is served in accordance with clause 25.
- (gg) **"Offer Period"** means the period of 14 days from the Offer Date, or such other period as may be determined by the MIP Committee and specified in the Offer, during which an Offer may be accepted.

- (hh) **"Performance Period"** means the period within which the Performance Targets stipulated by the MIP Committee and set forth in the Offer is required to be performed.
- (ii) **"Performance Targets"** means the performance targets recommended by the MIP Committee and approved by the Board, and as set forth in an Offer, which are to be achieved by the Selected Employees and/or the Group during the Performance Period.
- (jj) **"Previous Company"** is as defined in clause 19.1.
- (kk) **"Proceedings"** is as defined in clause 12.1.
- (ll) **"RM"** means the ringgit, the lawful currency of Malaysia.
- (mm) **"SC"** means Securities Commission Malaysia.
- (nn) **"Shares"** means ordinary shares in the capital of the Company, and **"Share"** means any one of them.
- (oo) **"Selected Employee"** means an Eligible Employee to whom Offer is or is to be made pursuant to these By-Laws.
- (pp) **"SICDA"** means the Securities Industry (Central Depositories) Act, 1991, as amended from time to time.
- (qq) **"Subsidiaries"** means subsidiaries of the Company within the meaning of section 5 of the Companies Act, and shall include such subsidiaries which are existing as of the Effective Date and those subsequently acquired or incorporated at any time during the MIP Period, unless determined by the Board and/or MIP Committee to fall outside the expression **"Subsidiaries"** pursuant to clause 17.1, and **"Subsidiary"** shall be construed accordingly.
- (rr) **"Trust"** means the trust established to facilitate the implementation of the MIP (as the case may be).
- (ss) **"Trust Deed"** means the trust deed constituting the Trust.
- (tt) **"Trustee"** means the trustee for the time being appointed by the Company for the MIP pursuant to clause 9 (as the case may be).
- (uu) **"Unvested Shares"** means Shares comprised in a Grant which have not vested in a MIP Participant, and **"Unvested Share"** shall be construed accordingly.
- (vv) **"Vesting Conditions"** means the conditions recommended by the MIP Committee and approved by the Board, and stipulated in the Offer in respect of a Grant, which must be fulfilled by a MIP Participant for the vesting of the Shares stipulated in such Offer, including (without limitation) the Performance Targets.
- (ww) **"Vesting Period"** means the period for the vesting of the Shares under a Grant.
- (xx) **"Vesting Date"** means the date on which the Shares pursuant to a Grant is vested in the MIP Participant.

1.2 In these By-Laws, unless the context requires otherwise, words importing the singular number include the plural and vice versa and words importing the masculine, feminine or neuter gender shall include all genders.

- 1.3 The headings and sub-headings herein are inserted for convenience only and shall not affect the interpretation of these By-Laws. Any reference to a clause is a reference to the relevant clause of these By-Laws. Any reference to a section is a reference to the relevant section in a Schedule. The Schedules form part of these By-Laws.
- 1.4 Any reference to a statute, statutory provisions, guidelines, regulations or rules includes a reference to that statute, statutory provision (and all statutory instruments or orders made pursuant to it), guidelines, regulations and rules, as from time to time amended, extended, re-enacted or consolidated.
- 1.5 Any liberty, power or discretion which may be exercised, or any decision or determination which may be made, under these By-Laws by:
- (a) the Board, may be exercised in the Board's sole and absolute discretion; or
  - (b) the MIP Committee (including any selection), may be exercised in the MIP Committee's sole and absolute discretion, but subject always to the Board's power to overrule any decision of the MIP Committee,
- and neither the Board nor the MIP Committee shall be under any obligation to give any reason for the same, except as may be required by the relevant regulatory authorities.
- 1.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.

## 2. THE MIP

- 2.1 The MIP is established and governed by these By-Laws.

## 3. MAXIMUM NUMBER OF SCHEME SHARES AVAILABLE UNDER THE SCHEME

- 3.1 Subject to clause 3.2, and subject to any adjustment as may be required to the relevant numbers of Shares pursuant to Schedule 1, the maximum number of Shares which may be made available under the MIP shall not, when aggregated with the total number of Shares allotted and issued and/or to be allotted and issued under the Bumi Armada Berhad 2011 Employee Share Option Scheme, exceed 10% of the issued and paid-up Share capital (excluding treasury shares) at any point of time during the MIP Period ("**Maximum Shares Available**").
- 3.2 In the event that the Company purchases or cancels its own shares in accordance with the provisions of section 67A of the Companies Act or otherwise howsoever, or undertakes any other corporate proposal resulting in a reduction of its issued and paid-up ordinary share capital, the following provisions shall apply in respect of future Offers (provided that all the valid Offers which are pending acceptances, and any Grant that has not been vested and/or any Grant that has been vested, prior to such purchase and/or reduction of the issued and paid-up ordinary share capital of the Company shall remain valid in accordance with the provisions of the MIP as if that purchase and/or reduction had not occurred):
- (a) if, after such purchase, cancellation and/or reduction, the aggregate number of Shares comprised in all the valid Offers which are pending acceptances, Grants that have not been vested and/or any Grant that has been vested, and options which have been granted under the Bumi Armada Berhad 2011 Employee Share Option Scheme, ("**Aggregate Shares**"), as of the date of purchase, cancellation and/or reduction of shares is greater than the Maximum Shares Available, no further Offers shall be made by the MIP Committee until the Aggregate Shares falls below the Maximum Shares Available; or

- (b) if, after such purchase, cancellation and/or reduction, the Aggregate Shares is less than the Maximum Shares Available, the MIP Committee may make further Offers provided that the aggregate number of Shares comprised in the Aggregate Shares and the future Offers is equivalent to the Maximum Shares Available after such purchase, cancellation and/or reduction.
- 3.3 In the case of existing Shares to be transferred to the MIP Participants under the MIP, the Company will use all reasonable efforts to ensure that the Trustee has available sufficient Shares to satisfy the Grants made during the MIP Period.

#### **4. MAXIMUM ALLOWABLE ALLOCATION AND THE BASIS OF ALLOCATION**

- 4.1 Subject to any adjustment which may be made under Schedule 1, the aggregate maximum number of Shares that may be allocated to any one category or designation of Selected Employee shall be determined by the MIP Committee from time to time, provided that the allocation to any individual Selected Employee who, either singly or collectively through persons connected (as defined in the Listing Requirements) with that Selected Employee, holds 20% or more of the issued and paid-up ordinary share capital of the Company, shall not exceed 10% of the Maximum Shares Available.
- 4.2 Subject to clause 4.1 and any adjustment which may be made under Schedule 1, the MIP Committee shall determine the actual number of Shares to be allocated to a Selected Employee after taking into consideration his position, ranking, performance, contribution and potential contribution to the growth and continued success of the Group.
- 4.3 The Company shall ensure that the allocation of Shares to the Selected Employees pursuant to clause 4.2 is verified at the end of each financial year of the Company by the Company's audit committee and the Company's external auditors as part of its audit exercise.

#### **5. ELIGIBILITY**

- 5.1 Subject to clause 20.2, any Eligible Employee in the Group who meets the following criteria as of the date of an Offer shall be eligible for consideration and selection as a Selected Employee by the MIP Committee:
  - (a) if he has attained the age of eighteen years and is not an undischarged bankrupt;
  - (b) if he is employed on a full time basis and is on the payroll of any Group Member and, has not served a notice of resignation or received a notice of termination;
  - (c) if his employment has been confirmed in writing;
  - (d) if he is serving in a specific designation under an employment contract, whether on a permanent contract or for a fixed duration (or any other contract as may be determined by the MIP Committee); and
  - (e) if he fulfils any other criteria and/or falls within such category as may be determined by the MIP Committee from time to time.

Subject to applicable law, the MIP Committee may vary or revise any of the criteria set forth in this clause 5.1 at any time and from time to time.

- 5.2 Eligibility for consideration under the MIP does not confer an Eligible Employee with any right whatsoever under or to participate in the MIP.
- 5.3 The selection of any Eligible Employee for participation in the MIP shall be made by the MIP Committee. The decision of the MIP Committee shall be final and binding.

## **6. RETENTION PERIOD**

- 6.1 The Shares to be allocated to the MIP Participants pursuant to these By-Laws will not be subjected to any retention period, unless the MIP Committee stipulates otherwise in the Offer.
- 6.2 The expression "retention period" referred to in clause 6.1 shall mean the period in which the Shares allotted and issued, or transferred, pursuant to the MIP must not be sold, transferred, assigned or otherwise disposed of, or dealt with, by the MIP Participant.

## **7. MIP PERIOD**

- 7.1 The MIP shall take effect on the Effective Date and shall continue to be in force for a period of ten years thereafter, provided that the following conditions have been fulfilled:
- (a) the grant of the approval of Bursa Securities for the listing of and quotation for the Shares to be issued pursuant to the MIP on the Main Market of Bursa Securities;
  - (b) the approval of the shareholders of the Company for the establishment of the MIP pursuant to these By-Laws and the issuance of Shares thereunder having been obtained in a general meeting of the Company;
  - (c) the submission to Bursa Securities of a copy of the final By-Laws;
  - (d) the receipt of approval of any other relevant authorities, where applicable; and
  - (e) the fulfillment of all conditions attached to the approval referred to in clause 7.1(a), if any.
- 7.2 Within five Market Days after the Effective Date, the Company shall, through the Adviser, submit a confirmation to Bursa Securities of full compliance with the approvals and/or conditions set forth in clause 7.1, stating the Effective Date, together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting approving the establishment of the MIP.
- 7.3 Upon expiry of the MIP Period:
- (a) all unaccepted Offers shall forthwith cease to be capable of acceptance; and
  - (b) (unless otherwise determined by the MIP Committee pursuant to clause 7.4) all unvested Shares comprised in any Grant shall forthwith cease to be capable of vesting.
- 7.4 Notwithstanding anything to the contrary, on the expiry of the MIP Period, in respect of any unvested Share comprised in any Grant, the Board may in its absolute discretion:
- (a) permit the vesting of unvested Shares either in whole or in part thereof in the MIP Participants at any time prior to such expiry, subject to such terms and conditions as may be prescribed by the Board notwithstanding that:
    - (i) the Vesting Date is not due or has not occurred; and/or
    - (ii) any other term or condition of the Offer has not been fulfilled or satisfied; or
  - (b) permit the value or number of the unvested Shares to be carried forward into any new scheme established to replace the MIP (if any), for the benefit of the respective MIP Participants, subject to the approval of the shareholders of the Company being obtained under the new scheme for such allocation.

## 8. TERMINATION OF THE MIP

8.1 Notwithstanding anything to the contrary in these By-Laws, but subject to any applicable law or stock exchange regulation, the MIP may be terminated by the Company at any time prior to the expiry of the MIP Period by written notice to affected MIP Participants, provided that:

- (a) in the case of any unaccepted Offers, such Offers shall forthwith lapse and become null and void on the date specified in the notice;
- (b) in the case of unvested Shares, the written consents of all affected MIP Participants are obtained prior to such termination, whereupon all unvested Shares shall cease to be capable of vesting to the affected MIP Participants and be null and void on the date such written consents have been obtained ("**MIP Termination Date**"), provided however that the Board may in its absolute discretion:
  - (i) permit the vesting of unvested Shares either in whole or in part thereof in the MIP Participants at any time prior to the MIP Termination Date subject to such terms and conditions as may be prescribed by the MIP Committee notwithstanding that:
    - (1) the Vesting Date is not due or has not occurred; and/or
    - (2) any other term or condition of the Offer has not been fulfilled or satisfied; or
  - (ii) permit the value or number of the unvested Shares to be carried forward into any new scheme established to replace the MIP (if any), for the benefit of the respective MIP Participants, subject to the approval of the shareholders of the Company being obtained under the new scheme for such allocation.

8.2 Upon termination of the MIP, no further Offers shall be made by the Company.

## 9. TRUST

9.1 Where existing Shares are to be transferred to the MIP Participants under the MIP, the Company will establish a Trust to be administered by the Trustee consisting of such trustee or its authorised nominee appointed by the Company from time to time for the purposes of acquiring Shares in accordance with the Trust Deed, at such times as the MIP Committee shall direct. To enable the Trustee to acquire Shares for the purpose of the MIP and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise from the Company. The MIP Committee shall have the discretion to direct the Trustee to acquire Shares at any time and from time to time and also to revoke or suspend any such direction that has earlier been given to the Trustee.

9.2 The Trustee shall administer the Trust in accordance to the Trust Deed. For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transaction, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the MIP Committee may in its discretion direct for the implementation and administration of the Trust.

9.3 The Company shall have the power from time to time to appoint or rescind the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed.

## **10. RIGHTS ATTACHED TO THE SHARES**

- 10.1 Subject to this clause 10, the Shares to be transferred pursuant to the MIP shall rank equally in all respects with the then existing issued ordinary shares in the capital of the Company. For the avoidance of doubt, any voting right, dividend, right, allotment, entitlement and/or any other distribution which are attributable to the Shares held by the Trustee but which are not transferred, vested or given to any MIP Participants shall accrue to the Trustee and be dealt with in accordance with the Trust Deed.
- 10.2 Subject to this clause 10, the Shares to be allotted and issued to the MIP Participants pursuant to the MIP shall, upon vesting, rank equally in all respects with the then existing issued ordinary shares in the capital of the Company.
- 10.3 In the cases of both clauses 10.1 and 10.2, the MIP Participants shall not be entitled to any dividend, right, allotment, entitlement and/or any other distribution:
- (a) attached to the Shares prior to the date on which the Shares are credited into the MIP Participants' respective CDS Accounts; and/or
  - (b) which may be declared, made or paid to the Company's shareholders, for which the book closure date is prior to the date on which the Shares are credited into the CDS Account of that MIP Participant.

For the purposes of this clause 10, "book closure date" shall mean the date as of the close of business on which a shareholder of the Company must be registered as a member and whose name must appear in the record of depositors maintained at Bursa Depository in order to be entitled to any dividend, right, allotment, entitlement and/or any other distribution.

- 10.4 The Shares shall be subject to all the provisions of the articles of association of the Company in relation to their voting rights, transfer, transmission, rights arising from liquidation of the Company, or otherwise.

## **11. ADMINISTRATION**

- 11.1 The MIP shall be administered by the MIP Committee consisting of such persons appointed by the Board from time to time.
- 11.2 Subject to these By-Laws, the MIP Committee shall administer the MIP in such manner as it shall in its discretion deem fit.
- 11.3 For the purpose of administering the MIP, the MIP Committee may do all such acts and things; enter into any transaction, agreement, deed, instrument, document or arrangement; make rules and regulations; and/or impose terms and conditions; relating to the administration of the MIP, as the MIP Committee may in its discretion deem fit, necessary and/or expedient for the implementation and administration of, and to give full effect to, the MIP.
- 11.4 The Board shall have power at any time and from time to time to:
- (a) approve, rescind and/or revoke the appointment of any member of the MIP Committee and appoint replacement members to the MIP Committee;
  - (b) make, issue and/or amend the terms of reference at any time and from time to time; and
  - (c) assume and/or exercise or execute any of the powers and authorities conferred upon the MIP Committee pursuant to these By-Laws.

## 12. DISCIPLINARY PROCEEDINGS

- 12.1 In the event a Selected Employee is subjected to any internal investigations and/or disciplinary proceedings (collectively, "**Proceedings**") (whether or not giving rise to a dismissal or termination of service, demotion to a lower category of employment, or any other action) after an Offer is made but before the acceptance thereof by such Selected Employee, the Offer is deemed withdrawn and no longer capable of acceptance, unless otherwise decided by the MIP Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the Proceedings brought against the Selected Employee.
- 12.2 Nothing herein shall prevent the MIP Committee (but the MIP Committee shall not be obliged to do so) from making a fresh Offer to such Selected Employee in the event that no further action is taken against him following the conclusion of the Proceedings, or if the Proceedings are withdrawn, provided that such Offer is made within the duration of the MIP Period.
- 12.3 In the event an MIP Participant is subjected to any Proceedings (whether or giving rise to a dismissal or termination of service, demotion to a lower category of employment, or any other action) after the acceptance of an Offer, the right in respect of the Grant shall be suspended pending the outcome of the Proceedings unless otherwise decided by the MIP Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the Proceedings brought against the MIP Participant, provided that:
- (a) in the event the MIP Participant is found guilty resulting in the dismissal or termination of service, the Grant shall immediately lapse notwithstanding that such dismissal or termination of service may be subsequently challenged by the MIP Participant in any other forum; and
  - (b) in the event the MIP Participant is found guilty of some or all of the charges but no dismissal or termination of service is recommended, the MIP Committee shall have the sole right to determine, at its absolute discretion, whether or not the Shares comprised in the Grant which are unvested at that time may continue to vest, and such determination may include (without limitation), reducing the number of Shares under such Grant, and/or imposing such additional terms and conditions as it deems appropriate in respect of such Grant.
- 12.4 Nothing herein shall prevent the MIP Committee (but the MIP Committee shall not be obliged to do so) from making a fresh Offer and/or reinstating the right in respect of the Grant in the event that no further action is taken against him following the conclusion of the Proceedings, or if such Proceedings are withdrawn, provided that such Offer and/or reinstatement is made within the duration of the MIP Period. If the MIP Committee does not reinstate such right in respect of the Grant prior to the expiry of the MIP Period, the Offer and acceptance thereof shall automatically lapse and shall immediately become null and void and any unvested Share shall forthwith cease to be capable of vesting in the MIP Participant, as the case may be, unless the MIP Committee determines otherwise.

## 13. AMENDMENT, VARIATION AND/OR MODIFICATION TO THE MIP

- 13.1 Subject to clause 13.2 and compliance with the Listing Requirements, and the approval of any regulatory authority (if required), the MIP Committee may at any time and from time to time recommend to the Board, any addition, amendment, modification to and/or deletion of these By-Laws as it shall in its discretion think fit and the Board shall at any time and from time to time have the power by resolution to add to, amend, modify and/or delete all or any part of these By-Laws upon such recommendation provided that no such addition, amendment, modification and/or deletion shall be made which would adversely affect the rights attaching to any Grant except with the approval of a majority in number of the then MIP Participants present and voting at a meeting of the MIP Participants convened for such purpose, whether by a show of hands by those present and voting and/or by poll. The quorum for such meetings of the MIP Participants shall be two MIP Participants. At least fourteen days' notice



of such meeting must have been given to the MIP Participants for the convening of any such meeting.

- 13.2 The approval of the shareholders of the Company in a general meeting shall not be required in respect of any addition, amendment, modification to and/or deletion of these By-Laws save and except:
- (a) if the approval of the shareholders of the Company has been obtained for the purposes of the allotment and issue of new shares in the Company for the purposes of the MIP;
  - (b) if such addition, amendment, modification and/or deletion would increase the number of the Shares beyond the Maximum Shares Available; or
  - (c) (in respect of any addition, amendment, modification and/or deletion to clause 4.1, 5, 7.1, 10, 19.1, 20.2 or 31.1, or Schedule 1), if such addition, amendment, modification and/or deletion would provide an advantage to any MIP Participant or group of MIP Participants or all the MIP Participants.

#### **14. DISPUTES**

- 14.1 In the event of any dispute between the MIP Committee and/or Trustee with an Eligible Employee, Selected Employee or MIP Participant, as to any matter or thing of any nature arising hereunder, such dispute or difference shall be referred to the Board whose decision shall be final and binding on all parties in all respects.

#### **15. MIP NOT A TERM OF EMPLOYMENT**

- 15.1 The MIP does not form part of, nor shall it in any way be construed as forming part of the terms and conditions of employment of any Eligible Employee, Selected Employee or MIP Participant. The MIP shall not confer or be construed to confer on any Eligible Employee, Selected Employee or MIP Participant any special right or privilege over his terms and conditions of employment, nor any right in addition to compensation or damages that he may be normally entitled to arising from the cessation of his employment.

#### **16. NO COMPENSATION NOR LIABILITY**

- 16.1 No Eligible Employee, Selected Employee or MIP Participant who ceases to hold office in or employment with any Group Member shall be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the MIP.
- 16.2 None of the Company, any Group Member, the Board, the MIP Committee and/or the Trustee shall be liable for any compensation, loss or damages of any claim, action or proceeding by any Eligible Employee, Selected Employee or MIP Participant or his legal or personal representatives whatsoever and howsoever arising from the suspension or termination of any right to the vesting of Shares pursuant to the Grant, or of such right ceasing to be valid pursuant to the provisions of these By-Laws.

#### **17. GROUP MEMBERS**

- 17.1 The Board and/or the MIP Committee may determine, in its absolute discretion, that a subsidiary of the Company (including those subsequently incorporated or acquired during the MIP Period) shall not fall within the expression "Subsidiaries" or "Group Members".

## 18. DIVESTMENT FROM THE GROUP

18.1 If a MIP Participant who held office or was in the employment with a corporation of the Group which has ceased to be a Group Member as a result of a restructuring or divestment exercise or otherwise (other than a takeover or reconstruction as a result of a restructuring or divestment exercise or otherwise provided under these By-Laws), the MIP Committee may in its discretion permit the vesting of Unvested Shares (or any part thereof) to the MIP Participant at any time subject to such terms and conditions as may be prescribed by the MIP Committee notwithstanding that:

- (a) the Vesting Date is not due or has not occurred;
- (b) the Vesting Period has not commenced; and/or
- (c) any other term or condition in the Grant has not been fulfilled or satisfied.

## 19. ACQUISITION OF SUBSIDIARIES

19.1 Notwithstanding anything to the contrary, an employee who is in employment of a corporation which is not Group Member ("**Previous Company**") but subsequently becomes a Group Member as a result of an acquisition or other exercise involving the Company and/or any Subsidiary or transferred to a corporation which is a Group Member subsequent to the acquisition, in the case of an employee of a Previous Company, such an employee ("**Affected Employee**"):

- (a) will be entitled to continue to exercise all such unexercised rights or options that were granted to him under the Previous Company's employee share scheme or employee share option scheme in accordance with the by-laws of that Previous Company's employee share scheme or employee share option scheme, but he shall not, upon that Previous Company becoming a Group Member, be eligible to participate for further rights or options under such Previous Company's employee share scheme or employee share option scheme unless permitted by the MIP Committee; and
- (b) may be eligible to participate in the MIP only for remaining duration of the MIP Period (subject to the approval of the MIP Committee);

provided that, notwithstanding anything to the contrary, the number of Shares that may be offered to such Affected Employee under these By-Laws shall always be subject to the discretion of the MIP Committee.

## 20. TRANSFER TO ANOTHER CORPORATION THAT IS NOT A GROUP MEMBER

20.1 Notwithstanding anything to the contrary, in the event a MIP Participant who was employed in a Group Member is subsequently transferred from such Group Member to another corporation which is not a Group Member, the MIP Committee shall have the discretion to decide that the MIP Participant shall continue to be entitled to have a right in any Unvested Share upon the same terms and conditions as may be set forth in the Offer as if the MIP Participant is still in employment with the Group Member.

20.2 Subject to these By-Laws and to any applicable law, the MIP Committee shall have the discretion, at any time and from time to time, to extend the benefit of the MIP to any employee of any corporation which is not a Group Member, but which is a jointly-controlled entity of, or is associated with, the Group, and deem such employee to be an Eligible Employee, in the situation where such employee had at any time (whether before or after the Effective Date) been seconded from any Group Member to that company.

## **21. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS**

- 21.1 All MIP Participants may inspect a copy of the latest audited financial statements of the Company at the Company's website.

## **22. COSTS, EXPENSES AND TAXES**

- 22.1 All fees, costs, expenses and Trustee's fees (including but not limited to administrative and handling charges) incurred in relation to the issue and allotment, or transfer, of the Shares pursuant to a Grant upon the vesting of the Shares, shall be borne by the Company. All brokerage fees, commissions and such other incidental costs and stamp duties arising from the sale of Shares by a MIP Participant shall be borne solely by him.
- 22.2 Each MIP Participant shall be solely responsible for any and all taxes (including income tax) which may be levied on him arising out of or as a result of such issuance and allotment or transfer of Shares to him under these By-Laws.

## **23. ARTICLES OF ASSOCIATION**

- 23.1 Notwithstanding the terms and conditions contained in these By-Laws, if a situation of conflict should arise between these By-Laws and the articles of association of the Company, the provisions of the articles of association of the Company shall prevail at all times.

## **24. ERRORS AND OMISSIONS**

- 24.1 If in consequence of an error or omission, the MIP Committee discovers or determines that:
- (a) an Eligible Employee who was selected by the MIP Committee as a Selected Employee has not been given the opportunity to participate in the MIP on any occasion; or
  - (b) the number of Shares allotted and issued and/or transferred to any MIP Participant (including those allotted and issued and/or transferred pursuant to the vesting of the Shares pursuant to the Grant) on any occasion is found to be incorrect;

and such error or omission cannot be corrected within the relevant period specified in these By-Laws, the MIP Committee and/or the Trustee may do all such acts and things to rectify such error or omission and ensure that the Eligible Employee is given the opportunity to participate in the MIP, including (without limitation) arranging for the aggregate number of Shares to which such MIP Participant is correctly entitled is to be credited into his CDS Account and/or the payment of cash to the MIP Participant in the case of settlement by way of cash (whichever is applicable as determined by the MIP Committee).

## **25. NOTICE**

- 25.1 Any notice under the MIP required to be given to or served upon the MIP Committee and/or Trustee by an Eligible Employee, Selected Employee or a MIP Participant or any correspondence to be made between an Eligible Employee, Selected Employee or MIP Participant to the MIP Committee and/or Trustee shall be given or made in writing and sent to the registered office of the Company or such other office which the MIP Committee and/or Trustee may have stipulated for a particular purpose by hand (with acknowledgment of receipt) or registered letter.

25.2 Unless otherwise provided in these By-Laws, any notice which under these By-Laws is required to be given to or served upon an Eligible Employee, Selected Employee or MIP Participant or any correspondence to be made with an Eligible Employee, Selected Employee or MIP Participant shall be deemed to be sufficiently given, served or made if it is given, served or made by hand, facsimile transmission, registered post, courier, human resource electronic management system or e-mail addressed to the Eligible Employee, Selected Employee or MIP Participant at the place of employment or at the last facsimile number or address known to the Company as being his facsimile number or address. Any notice served by hand, facsimile, or courier as aforesaid shall be deemed to have been received at the time when such notice (if by hand or courier) is received and duly acknowledged, and if by facsimile is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages. Any notice served by registered post shall be deemed to have been received the third day after postage. Any notice served by any electronic management system or e-mail shall be deemed to have been received upon the said communication being sent.

25.3 Notwithstanding clause 25.2, where any notice is required to be given by the Company or the MIP Committee under these By-Laws in relation to matters which may affect all the Eligible Employees, Selected Employees or MIP Participants, as the case may be, the Company or MIP Committee may give notice through an announcement to all employees of Group Members to be made in such manner as deemed appropriate by the MIP Committee. Upon the making of such an announcement, the notice to be made under clause 25.2 shall be deemed to be sufficiently given, served or made to all affected Eligible Employees, Selected Employees or MIP Participants, as the case may be.

## **26. SEVERABILITY**

26.1 If at any time any provision of these By-Laws is or becomes illegal, void or unenforceable in any respect, the same shall be ineffective to the extent of such illegality, voidness or unenforceability without invalidating the remainder thereof, and any such illegality, voidness or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

## **27. DISCLAIMER OF LIABILITY**

27.1 Notwithstanding any provisions contained herein and subject to the Companies Act, the MIP Committee, the Company and the Trustee shall not under any circumstance be liable for any cost, loss, expense and/or damage whatsoever incurred, arising and/or suffered by any MIP Participant in connection with any delay in allotting and issuing, or transferring, Shares, and/or applying for or procuring the listing or transfer of Shares on Bursa Securities, in accordance with these By-laws for any reason whatsoever.

## **28. DECISION OF THE MIP COMMITTEE**

28.1 Any decision and/or determination made by the MIP Committee under these By-Laws shall, in the absence of any manifest of error, be final and binding.

## **29. GOVERNING LAW**

29.1 The MIP, these By-Laws, all Offers, all Grants made and granted, and all decisions and actions taken under the MIP shall be governed by and construed in accordance with Malaysian law. The MIP Participant, by accepting the Offer in accordance with these By-Laws, the terms of the MIP and the articles of association of the Company, irrevocably submits to the exclusive jurisdiction of the Malaysian courts.

### **30. OFFER UNDER THE MIP**

- 30.1 Pursuant to the MIP, the MIP Committee may, at any time and from time to time during the MIP Period, make one or more Offers to Selected Employees to participate in the MIP.
- 30.2 The Offer may be made upon such terms and conditions as the MIP Committee deems appropriate and the terms and conditions of each Offer may differ.
- 30.3 Subject to any adjustment which may be made under Schedule 1, the MIP Committee may, from time to time, at its absolute discretion determine the number of Shares to be comprised in an Offer made to a Selected Employee under the MIP, provided that the number of Shares shall not be less than 100 Shares, and shall always be in multiples of 100 Shares.
- 30.4 Subject to these By-Laws, the MIP Committee may at its discretion determine:
- (a) the type of the Offer to be made to a Selected Employee;
  - (b) the terms and conditions of the Offer to be made to a Selected Employee;
  - (c) the date on which an Offer is made to a Selected Employee;
  - (d) the Vesting Conditions;
  - (e) the number of Shares to be vested on the Vesting Date; and
  - (f) any other term or condition as the MIP Committee may from time to time deem appropriate.

### **31. ACCEPTANCE OF THE OFFER**

- 31.1 The Offer must be accepted by the Selected Employee during the Offer Period in such form and manner as may be prescribed by the MIP Committee and must be accompanied by the details of his CDS Account number and a payment to the Company of a sum of RM1.00 only as non-refundable consideration for the Offer. The date of receipt by the Company of such form, completed in the manner prescribed by the MIP Committee, and such payment shall be the date of acceptance of the Offer by the Selected Employee.
- 31.2 Unless the MIP Committee otherwise decides, in the event that the Selected Employee fails to accept the Offer in the manner prescribed within the Offer Period, such Offer shall automatically lapse and shall then be null and void and the Offer may, at the sole and absolute discretion of the MIP Committee, be offered to other Selected Employees in accordance with these By-Laws provided that the MIP Committee shall not be precluded from making a fresh Offer to the Selected Employee subsequently.
- 31.3 Upon acceptance of the Offer in accordance with these By-Laws, the Selected Employees shall be referred to as a MIP Participant for the purposes of these By-Laws.

### **32. VESTING AND SETTLEMENT**

- 32.1 The Shares or such part thereof as may be specified in an Offer will only vest to the relevant MIP Participant in accordance with the terms of his Grant on the Vesting Date, provided that such MIP Participant must fulfill the criteria under clause 5.1 as of the Vesting Date.
- 32.2 The determination as to whether the Vesting Conditions have been fulfilled shall be made by the MIP Committee. In the event that the MIP Committee shall determine that the Vesting Conditions are not fully satisfied, the MIP Committee may, at its discretion, adjust the number of Shares (if any) which may vest to the MIP Participant and/or to impose such other conditions as the MIP Committee deems fit in respect of the vesting of the Shares to such MIP Participant.

- 32.3 Where the MIP Committee has made the determination that the Vesting Conditions have been fulfilled or has made a determination pursuant to clause 32.2 if the Vesting Conditions are not fully satisfied, the MIP Committee shall notify the MIP Participant of the number of Shares vested or which will be vested in him on the Vesting Date, as the case may be.
- 32.4 No MIP Participant shall have any right to or interest in the Shares unless and until the Shares are vested to him on and with effect from the date such Shares are credited to his CDS Accounts or the CDS Accounts of his authorised nominee (as the case may be).
- 32.5 The MIP Committee shall have the absolute discretion to settle the vesting of the Shares either by way of an allotment and issue of new Shares, transfer of the Shares from the Trust to the MIP Participant, or both by allotment and issue and transfer. When accepting an Offer, the MIP Participant shall notify the MIP Committee (in such form as may be prescribed by the MIP Committee from time to time) of his CDS Accounts number or the CDS Accounts number of his authorised nominee (as the case may be).
- 32.6 In the case of a transfer of Shares, the Trustee shall administer the transfer of Shares in accordance with the Trust Deed.
- 32.7 The Company shall, within eight Market Days after its issuance of a notice of vesting to an MIP Participant (or such other period as may be prescribed or allowed by Bursa Securities and/or the Listing Requirements):
- (a) procure the allotment and issue, or transfer (as the case may be), of the relevant number of Shares and despatch the notice of allotment or notice of transfer to the MIP Participant accordingly; and
  - (b) (where required) apply for the quotation of such Shares on Bursa Securities;
- provided that no such allotment and issue shall take place unless the Company has obtained the prior approval of its shareholders in a general meeting for such allotment and issue of new Shares under the MIP.
- 32.8 The Shares to be allotted and issued, or transferred, to the MIP Participants pursuant to the vesting of the Shares under the Grant will be credited directly into the CDS Account of the MIP Participant and no physical share certificates will be delivered to the MIP Participant or his authorised nominee (as the case may be).

### **33. TERMINATION OF OFFERS AND UNVESTED SHARES**

- 33.1 Subject to clauses 33.2 and 33.3, any unaccepted Offer shall forthwith lapse and be null and void and/or any unvested Share in respect of a MIP Participant shall forthwith cease to be capable of vesting to him, as the case may be, without any liability to or right to claim against the Company, any Group Member, the MIP Committee, and/or the Board upon the occurrence of any one or more of the following events:
- (a) service of a notice to resign by the Selected Employee or MIP Participant, as the case may be;
  - (b) service of a notice of termination or termination of employment of the Selected Employee or MIP Participant, as the case may be, with a Group Member by reason of misconduct or any other act or omission entitling such Group Member to terminate for cause; or
  - (c) bankruptcy of the Selected Employee or MIP Participant, as the case may be.

33.2 In the event of the termination or cessation of employment of the Selected Employee or MIP Participant with the Group in any of the following circumstances:

- (a) retirement on attaining the retirement age under the Group's retirement policy;
- (b) retirement before attaining the normal retirement age;
- (c) ill-health, injury, physical or mental disability or mental disorder;
- (d) redundancy or retrenchment, or cessation of service pursuant to the acceptance by the Selected Employee of a voluntary separation scheme offered by the relevant Group Member;
- (e) non-renewal of a fixed-term contract; or
- (f) any other circumstance which is acceptable to the MIP Committee in its sole and absolute discretion;

any unaccepted Offer shall forthwith lapse and be null and void and/or any unvested Share in respect of that MIP Participant shall forthwith cease to be capable of vesting to that MIP Participant without any liability to or right to claim against the Company, any Group Member, the MIP Committee, and/or the Board. Notwithstanding this, the MIP Committee may in its absolute discretion permit the vesting of unvested Shares (or any part thereof) to the MIP Participant subject to such terms and conditions as may be prescribed notwithstanding that:

- (g) the Vesting Date is not due or has not occurred; and/or
- (h) other terms and conditions set forth in the Offer have not been fulfilled or satisfied.

33.3 Where a MIP Participant retires and is immediately re-employed by the Company or by any Group Member, upon his re-employment, the MIP Committee may at its absolute discretion allow the MIP Participant to be vested with the Shares under such Offer made pursuant to clause 30 either in whole or in part within such period as the MIP Committee may determine.

33.4 In the event of death of the MIP Participant before vesting of the Shares, such Grant shall automatically lapse and become null and void at the date of his death, unless otherwise decided by the MIP Committee.

33.5 Any unaccepted Offer shall forthwith lapse and be null and void and/or unvested Shares shall forthwith cease to be capable of vesting, as the case may be, without any claim against the Company, the MIP Committee, and/or the Board upon the occurrence of one or more of the following events:

- (a) winding-up or liquidation of the Company; or
- (b) termination of the MIP pursuant to these By-Laws.

33.6 Any unvested Share that ceases to be capable of vesting to a MIP Participant pursuant to this clause 33 will continue to be available under the MIP.

### **34. TAKE-OVERS**

34.1 In the event of:

- (a) a take-over offer being made for the Company through a general offer to acquire the whole of the issued share capital of the Company (or such part thereof not at the time owned by the person making the general offer ("**Acquirer**") or any persons acting in concert with the Acquirer); or
- (b) the Acquirer becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date;

the MIP Committee may to the extent permitted by law in its discretion permit the vesting of Unvested Shares (or any part thereof) to the MIP Participant or the MIP Participant's legal and personal representatives, as the case may be, at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (c) the Vesting Date is not due or has not occurred; and/or
- (d) other terms and conditions set forth in the Grant have not been fulfilled/satisfied.

### **35. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, MERGER**

35.1 In the event of the court approving a compromise or arrangement between the Company and its members for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company or its amalgamation with any other corporation, the MIP Committee may permit the termination of the Grant or the vesting of Unvested Shares (or any part thereof) to the MIP Participant or the MIP Participant's legal and personal representatives, as the case may be, at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Vesting Date is not due or has not occurred; and/or
- (b) other terms and conditions set forth in the Grant has not been fulfilled or satisfied.

35.2 In the event the Company decides to merge with any other corporation, the MIP Committee may in its discretion, permit the termination of the Grant or the vesting of Unvested Shares (or any part thereof) to the MIP Participant at any time prior to the MIP Termination Date subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Vesting Date is not due or has not occurred; and/or
- (b) other terms and conditions set forth in the Grant have been fulfilled/satisfied.

### **36. NON-TRANSFERABILITY**

36.1 The rights of a MIP Participant to the vesting of Shares shall be personal to him and cannot be assigned, transferred, encumbered or otherwise disposed of in any manner whatsoever unless otherwise expressly provided in these By-Laws.



### **37. MULTIPLE JURISDICTIONS**

- 37.1 In order to facilitate the making of any Offer and/or Grant (and/or the benefit thereof) under the MIP, the MIP Committee may provide for such special terms to apply to Offers and/or Grants to the Eligible Employees or the Selected Employees who are employed by a Group Member in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the MIP Committee may consider necessary or appropriate to accommodate differences in applicable law, tax policy or custom. Moreover, the MIP Committee may approve such supplements to or amendments, restatements or alternative versions of, these By-Laws as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of these By-Laws as they are in effect for any other purpose, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as these By-Laws. No such special terms, supplements, amendments or restatement, however, shall include any provision that is inconsistent with the terms of these By-Laws as then in effect unless these By-Laws could have been amended to eliminate such inconsistency.

## SCHEDULE 1

1. If the MIP Committee so decides (but not otherwise), in the event of any alteration in the capital structure of the Company during the MIP Period, whether by way of capitalisation of profits or reserves, rights issues, bonus issues, capital reduction (save for set off against accumulated losses), capital repayment, sub-division or consolidation of capital, or declaration of any special dividend or distribution or otherwise howsoever taking place, such corresponding alterations (if any) may be made to the MIP.
2. Alterations, as set forth in section 1 of Schedule 1, may be made in:
  - (a) the number of unvested Shares comprised in a Grant; and/or
  - (b) the method and/or manner in the vesting of the Shares comprised in a Grant.
3. The alterations set forth in section 2 of Schedule 1 shall be in such a manner as to give the Selected Employee a fair and reasonable Grant entitlement, as certified in writing (other than for adjustments made pursuant to a bonus issue) by the external auditor or Adviser to the Company (acting as an expert and not as an arbitrator) as being in its opinion fair and reasonable and such certification shall be final and binding in all respects, provided that:
  - (a) upon any adjustment being made pursuant to section 2 of Schedule 1, the MIP Committee shall notify the Selected Employee (or his personal representatives, where applicable) in writing of the adjusted number of Shares comprised in the Grant, and/or the revised maximum number of Shares and/or percentage of the total Shares comprised in the Grant, that may vest at any time or in any period which supersedes the earlier Grant; and
  - (b) in the event that a fraction of a Share arising from the adjustments referred to in section 2 of Schedule 1 would otherwise be required to be issued upon the vesting of Shares comprised in a Grant, the Selected Employee's entitlement shall be rounded to the nearest whole number.

Unless otherwise determined by the MIP Committee, the adjustments pursuant to section 2 of Schedule 1 shall be effective on the day immediately following the book closure date for the event giving rise to that adjustment.

4. Notwithstanding anything to the contrary, the provisions of this Schedule 1 shall not apply where the alteration in the capital structure of the Company arises from:
  - (a) any issuance of Shares or other securities as consideration (or part consideration) for an acquisition of any other securities, assets or business by the Group;
  - (b) any special issuance of Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation;
  - (c) any private placement or restricted issuance of Shares or other securities by the Company;
  - (d) any implementation of a share buy-back arrangement by the Company under the Companies Act;
  - (e) any issuance of warrants, convertible loan stocks or other instruments by the Company that gives a right of conversion into shares in the Company or other securities, and any issuance of Shares or other securities arising from the exercise of any conversion rights attached to such convertible securities; or
  - (f) any issuance or allotment of Shares upon the vesting of Shares comprised in a Grant.

5. The provisions of Schedule 1 shall also, where applicable, apply to a situation where the Offer has been made but has not been accepted by the Selected Employee or withdrawn by the MIP Committee.

## FURTHER INFORMATION

## 1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Directors who collectively and individually accept full responsibility for the accuracy of the information contained in this Circular. Our Directors confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or facts which, if omitted, would make any statement in this Circular false or misleading.

## 2. WRITTEN CONSENT AND DECLARATION OF CONFLICT OF INTEREST

CIMB, being the Adviser to our Company for the Proposed MIP, has given and has not subsequently withdrawn its consent to the inclusion of its name in this Circular and all references thereto, in the form and context in which they appear.

CIMB is not aware of any possible conflict of interest which exists or is likely to exist, in its capacity as the Adviser to our Company for the Proposed MIP.

## 3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

## 3.1 Material commitments

The material commitments contracted or known to be contracted by our Group as at 29 February 2016 are as follows:

	<u>RM 000</u>
Capital expenditure for property, plant and equipment not provided for in our unaudited consolidated financial statements as at 29 February 2016:	
- authorised and contracted	929,268
- authorised but not contracted	2,746,578
	<u>3,675,846</u>

Save as disclosed above, our Directors are not aware of any other material commitments contracted or known to be contracted by our Group as at 29 February 2016 which may have a material effect on our Group's financial position.

## 3.2 Contingent liabilities

The contingent liabilities of our Group as at 29 February 2016 are as follows:

	<u>RM 000</u>
Bank guarantees extended to third parties	1,039,956

Save as disclosed above, our Directors are not aware of any other contingent liabilities of our Group as at 29 February 2016 which, upon crystallisation, may have a material effect on our Group's financial position.

#### 4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at 21 April 2016, neither our Company nor any of our subsidiaries is involved in any material litigation, claims or arbitration, and our Company and our subsidiaries are not aware of any material litigation, claims or arbitration pending or threatened against our Company and our subsidiaries:

*In the Supreme Court of Western Australia between Armada Balnaves Pte Ltd and Woodside Energy Julimar Pty Ltd*

The matter arose out of a dispute between Armada Balnaves Pte Ltd ("**ABPL**"), our wholly-owned subsidiary, and Woodside Energy Julimar Pty Ltd ("**WEJ**") in relation to a contract for the provision of floating production storage and offloading services dated 30 September 2011 ("**Contract**"). On 4 March 2016, WEJ purported to terminate the Contract by issuing a notice of termination to ABPL. ABPL considered that this purported termination by WEJ was tantamount to a cancellation for convenience, or a repudiation of the Contract, either of which entitles ABPL to claim damages.

On 14 March 2016, ABPL filed a Writ of Summons in the Supreme Court of Western Australia ("**Supreme Court**") against WEJ. On 20 April 2016, ABPL filed its Statement of Claim in the Supreme Court.

ABPL is claiming for, inter alia, (i) a declaration that WEJ was in repudiatory breach of the Contract; and (ii) damages in general for WEJ's repudiation of the Contract, the amount of which includes the sum of USD275,813,698.63 (being the amount of the termination payment to which ABPL is entitled had the Contract been terminated without breach) plus any additional damages for loss of bargain caused to ABPL as a consequence of WEJ's repudiation of the Contract. ABPL is also claiming for the additional sum of USD7,700,000.00 for work done and materials supplied pursuant to the Contract. It is not known at this stage as to the claims that WEJ may or will include in its counterclaim.

The proceeding is currently at the stage of pleadings.

Our Board is of the view that there are reasonable grounds to expect a favourable outcome in respect of ABPL's claims with regards to the said repudiation by WEJ of the Contract. Notwithstanding the foregoing, the award of damages in the event of a favourable outcome is subject to final determination by the Supreme Court.

#### 5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Level 21, Menara Perak, 24, Jalan Perak, 50450 Kuala Lumpur, Malaysia, between 9.00 a.m. and 5.00 p.m. from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of our EGM:

- (i) our existing Memorandum and Articles;
- (ii) our audited consolidated financial statements for the FYE 31 December 2014 and FYE 31 December 2015;
- (iii) the draft By-Laws as set out in Appendix II of this Circular;
- (iv) the by-laws of the Existing ESOS referred to in Appendix I of this Circular;
- (v) the letter of consent referred to in Section 2 of this Appendix; and
- (vi) the relevant cause papers in relation to the material litigation referred to in Section 4 of this Appendix.



BUMI ARMADA

**BUMI ARMADA BERHAD**

(Company No. 370398-X)

(Incorporated in Malaysia under the Companies Act, 1965)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting ("**EGM**") of Bumi Armada Berhad ("**Bumi Armada**" or "**Company**") will be held at **11.30 a.m. on Monday, 23 May 2016 at Ballrooms 1 & 2, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia** or immediately after the conclusion or the adjournment (as the case may be) of the Twentieth Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is the later, for the purpose of considering and if thought fit, passing the following resolution, with or without modifications:

**ORDINARY RESOLUTION**

**PROPOSED ESTABLISHMENT OF A MANAGEMENT INCENTIVE PLAN FOR THE ELIGIBLE EMPLOYEES AND EXECUTIVE DIRECTORS OF BUMI ARMADA AND ITS SUBSIDIARIES ("PROPOSED MIP")**

"**THAT** subject to the approvals of all relevant regulatory authorities for the Proposed MIP being obtained and to the extent permitted by law and the memorandum and articles of association of Bumi Armada, the board of directors of Bumi Armada ("**Board**") be and is hereby authorised:

- (i) to establish, implement and administer the Proposed MIP which comprises a share grant for the benefit of the employees and Executive Directors of Bumi Armada and its subsidiaries (excluding subsidiaries which are dormant) who fulfill the criteria of eligibility for participation in the Proposed MIP ("**Eligible Employees**") and who are selected to be offered a grant ("**Selected Employees**") in accordance with the by-laws of the Proposed MIP ("**By-Laws**") set out in Appendix II of the circular to shareholders of Bumi Armada dated 28 April 2016;
- (ii) to allot and issue from time to time and at any time such number of new ordinary shares of RM0.20 each in Bumi Armada ("**Shares**") as may be required to be issued to the Selected Employees who have accepted the grants ("**Grants**") under the Proposed MIP, subject to and in accordance with the By-Laws:
  - (a) provided that the total number of Shares which may be made available under the Proposed MIP shall not, when aggregated with the total number of new Shares allotted and issued and/or to be allotted and issued under the Bumi Armada 2011 Employee Share Option Scheme exceed 10% of the total issued and paid-up share capital of Bumi Armada (excluding treasury shares) at any point of time during the duration of the Proposed MIP; and
  - (b) that such new Shares shall, upon allotment and issuance, rank equally in all respects with the then existing issued Shares, save and except that they shall not be entitled to any voting right, dividend, right, allotment, distribution and/or any other entitlement, for which the entitlement date is prior to the date on which the new Shares are credited into the central depository system accounts of the relevant allottees upon vesting;

- (iii) to add, delete, modify and/or amend all or any part of the terms and conditions governing the Proposed MIP, the By-Laws and all rules, regulations and administration processes relating to the Proposed MIP and/or the administration thereof, from time to time as may be permitted or deemed necessary by the relevant regulatory authorities or deemed necessary by the Board or any committee established to administer the Proposed MIP, provided that such additions, deletions, modifications, and/or amendments are effected and permitted in accordance with the provisions of the By-Laws; and
- (iv) to do all such acts and things and to execute all such documents and enter into all such transactions, arrangements, agreements, instruments, deeds and/or undertakings, to make all such rules or regulations, or to impose all such terms and conditions and/or delegate part of its power and to generally exercise such powers and perform such acts as may be necessary or expedient in order to give full effect to the Proposed MIP and the terms of the By-Laws;

**THAT** the Board be and is hereby authorised to give effect to the Proposed MIP with full power to consent to and to adopt such conditions, modifications, variations and/or amendments (including adopting such modifications, variations and/or amendments to the By-Laws as set out in Appendix II of the circular to shareholders of Bumi Armada dated 28 April 2016) as it may deem fit and/or as may be required by the relevant regulatory authorities;

**AND THAT** the By-Laws of the Proposed MIP, as set out in Appendix II of the circular to shareholders of Bumi Armada dated 28 April 2016, which is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, be and is hereby approved.”

#### **BY ORDER OF THE BOARD OF DIRECTORS OF BUMI ARMADA BERHAD**

**Noreen Melini binti Muzamli** (LS 0008290)  
**Noor Hamiza binti Abd Hamid** (MAICSA 7051227)  
Joint Company Secretaries

**Kuala Lumpur**  
28 April 2016

#### **Notes:**

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one (1) or more proxies to attend and vote for him/her provided that the number of proxies appointed shall not be more than two (2) except in the circumstances set out in Note 2. A proxy may but need not be a member of the Company, and the provision of Section 149(1)(b) of the Companies Act, 1965 (the “Act”) shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.
2. Where a member of the Company is an authorised nominee, it may appoint at least one (1) proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting. For an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
3. The instrument appointing a proxy shall:
  - (i) in the case of an individual, be signed by the appointor or by his/her attorney; and
  - (ii) in the case of a corporation, be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. The instrument appointing a proxy must be lodged at the office of the **Company’s Share Registrars, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia**, by 11.30 a.m. on Saturday, 21 May 2016, which is not less than 48 hours before the time appointed for the EGM; otherwise the instrument of proxy shall not be treated as valid and the person so named shall not be entitled to vote in respect thereof. Fax copies of the duly executed Form of Proxy are not acceptable.
6. A proxy may vote on a show of hands and on a poll. If the Form of Proxy is returned without an indication as to how the proxy shall vote on any particular matter, the proxy may exercise his discretion as to whether to vote on such matter and if so, how.
7. The lodging of a Form of Proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting and the instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
8. For the purpose of determining members who shall be entitled to attend the EGM, only the Company’s members whose names appear on the Record of Depositors of the Company maintained by Bursa Malaysia Depository Sdn Bhd as at 18 May 2016 shall be entitled to attend the said meeting or appoint proxies to attend and vote on their behalf.



# BUMI ARMADA

## FORM OF PROXY

**BUMI ARMADA BERHAD** (370398-X)  
(Incorporated in Malaysia)

\*I/\*We \_\_\_\_\_ \*NRIC (new and old)/\*Passport/  
(FULL NAME IN BLOCK LETTERS) (COMPULSORY)

\*Company No. \_\_\_\_\_ of \_\_\_\_\_  
(COMPULSORY) (ADDRESS)

\_\_\_\_\_  
(ADDRESS)

\_\_\_\_\_  
(ADDRESS) and

telephone no. \_\_\_\_\_ being a member of Bumi Armada Berhad (the "Company"),

hereby appoint \_\_\_\_\_ \*NRIC/\*Passport No.  
(FULL NAME IN BLOCK LETTERS)

\_\_\_\_\_ of \_\_\_\_\_  
(COMPULSORY) (ADDRESS)

\_\_\_\_\_  
(ADDRESS)

and/or \_\_\_\_\_ \*NRIC/\*Passport No. \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS) (COMPULSORY)

of \_\_\_\_\_  
(ADDRESS)

\_\_\_\_\_  
(ADDRESS)

or failing \*him/\*her, THE CHAIRMAN OF THE MEETING as \*my/\*our \*proxy/\*proxies to vote for \*me/\*us on \*my/\*our behalf at the **Extraordinary General Meeting ("EGM") of the Company to be held at 11.30 a.m. on Monday, 23 May 2016 at Ballrooms 1 & 2, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia** or immediately after the conclusion or the adjournment (as the case may be) of the Twentieth Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is the later. \*I/\*We have indicated with an "X" in the spaces below how \*I/\*we wish \*my/\*our vote to be cast:

No.	Ordinary Resolution	For	Against
1.	Proposed Management Incentive Plan		

Subject to the abovestated voting instructions, \*my/\*our \*proxy/\*proxies may vote and abstain from voting on any resolution as \*he/\*she/\*they may think fit.

<p>If appointment of proxy by an individual or a corporation is under hand</p> <p>Signed by *individual member/*officer or attorney of member/*authorised nominee of _____ (beneficial owner)</p>	<p>No. of shares held : _____</p> <p>Securities Account No. : _____ (CDS Account No.) (Compulsory)</p> <p>Date : _____</p>	<p>The proportions of *my/*our holding to be represented by *my/*our proxies are as follows :</p> <p><b>First Proxy</b> No. of shares : _____ Percentage : _____%</p>
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<p>If appointment of proxy by a corporation is under seal</p> <p>The Common Seal of _____</p> <p>was affixed hereto in accordance with its Articles of Association in the presence of :-</p> <p>_____ Director                      *Director/*Secretary</p> <p>in its capacity as *member/*attorney of member/*authorised nominee of _____</p> <p>(beneficial owner)</p>	<p>Seal</p> <p>No. of shares held : _____</p> <p>Securities Account No. : _____</p> <p>(CDS Account No.)      (Compulsory)</p> <p>Date : _____</p>	<p><b>Second Proxy</b></p> <p>No. of shares : _____</p> <p>Percentage : _____ %</p>
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\* Delete if not applicable

**Notes:**

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one (1) or more proxies to attend and vote for him/her provided that the number of proxies appointed shall not be more than two (2) except in the circumstances set out in Note 2. A proxy may but need not be a member of the Company, and the provision of Section 149(1)(b) of the Companies Act, 1965 (the "Act") shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.
2. Where a member of the Company is an authorised nominee, it may appoint at least one (1) proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting. For an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
3. The instrument appointing a proxy shall:
  - (i) in the case of an individual, be signed by the appointor or by his/her attorney; and
  - (ii) in the case of a corporation, be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. The instrument appointing a proxy must be lodged at the office of the **Company's Share Registrars, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia**, by 11.30 a.m. on Saturday, 21 May 2016, which is not less than 48 hours before the time appointed for the EGM; otherwise the instrument of proxy shall not be treated as valid and the person so named shall not be entitled to vote in respect thereof. Fax copies of the duly executed Form of Proxy are not acceptable.
6. A proxy may vote on a show of hands and on a poll. If the Form of Proxy is returned without an indication as to how the proxy shall vote on any particular matter, the proxy may exercise his discretion as to whether to vote on such matter and if so, how.
7. The lodging of a Form of Proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting and the instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
8. For the purpose of determining members who shall be entitled to attend the EGM, only the Company's members whose names appear on the Record of Depositors of the Company maintained by Bursa Malaysia Depository Sdn Bhd as at 18 May 2016 shall be entitled to attend the said meeting or appoint proxies to attend and vote on their behalf.

**9. Personal Data Privacy**

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the EGM, and any adjournment thereof.

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**THE SHARE REGISTRARS OF  
BUMI ARMADA BERHAD**  
(Company No. 370398-X)

AFFIX  
STAMP

**Symphony Share Registrars Sdn Bhd**  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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