

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board is pleased to issue the following report on the Nomination and Remuneration Committee and its activities during the financial year ended 31 December 2016.

Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of five (5) members, all of whom are Non-Executive Directors.

A total of seven (7) meetings were held during the year. The attendance record of each member during the financial year is as follows:

Name of Directors and Status	No. of Meetings Attended
Khalid bin Sufat Chairman, Senior Independent Non-Executive Director	7/7
Dr. Leong Chik Weng Member, Independent Non-Executive Director	7/7
Datin Paduka Kartini binti Haji Abdul Manaf Member, Non-Independent Non-Executive Director	6/7
Dato' Hajah Normala binti Abdul Samad Member, Non-Independent Non-Executive Chairman <i>Appointed w.e.f. 24 January 2017</i>	Not Applicable
Datuk Nik Moustpha bin Haji Nik Hassan Member, Independent Non-Executive Director <i>Appointed w.e.f. 15 February 2017</i>	Not Applicable

Details on the Terms of Reference of the Nomination and Remuneration Committee are available on the Company's website.

Activities during the financial year

During the year, the Committee:

- (i) Reviewed the result of the Board Effectiveness Assessment of the Board of Directors and Committees of the Board which included the Audit and Compliance Committee, Risk Management Committee and Finance and Investment Committee, and recommended improvement plans;
- (ii) Recommended for Board approval on the appointment of new Directors within the CCM Group;
- (iii) Reviewed and recommended for Board approval on the composition and remuneration of the Board sub-committee of CCM Group;
- (iv) Reviewed and recommended for Board approval on Directors casual vacancy and retirement by rotation;
- (v) Ensured that all Directors received appropriate and continuous training programmes in order to keep abreast with developments in the relevant industry and with changes in the relevant statutory and regulatory requirements;
- (vi) Reviewed and made recommendation to the Board on the policy of allowing executives of the Company/Group to be appointed to board of other listed entities;

- (vii) Reviewed and recommended for Board approval on the Group's Policy on Promotion Increment Quantum;
- (viii) Reviewed and recommended for Board approval on the appointment, renewal of contracts of service or promotions and the remuneration package of Group Managing Director and Key Responsible Persons of the Group, where appropriate;
- (ix) Reviewed and recommended for Board approval on the proposed Group's Key Performance Indicators for 2017;
- (x) Reviewed and recommended for Board approval on the establishment of KPIs for the Group Managing Director;
- (xi) Reviewed and recommended for Board approval on the bonus and salary review of Group Managing Director and Key Responsible Persons of the Group;
- (xii) Reviewed and recommended for Board approval on the Performance Discretionary Bonus for the Group Managing Director for financial year 2015;
- (xiii) Reviewed and recommended for Board approval on the annual global salary review, bonus and incentive package for employees of the Group;
- (xiv) Reviewed and recommended for Board approval on the proposed reorganisation of the Group;
- (xv) Reviewed and recommended for Board approval on the employees severance package and implementation of the same for certain companies within the Group;
- (xvi) Reviewed the analysis on Benefits-in-kind for the Group;
- (xvii) Reviewed and recommended for Board approval on changes to the Group's Leave Policy; and
- (xviii) Considered other matters as referred to by the Board.