

Report of the Nomination and Remuneration Committee

The Board is pleased to issue the following report of the Nomination and Remuneration Committee and its activities during the financial year ended 31 December 2018.

Composition of Nomination and Remuneration Committee

During the year, the Nomination and Remuneration Committee comprises of three (3) members, all of whom are Non-Executive Directors.

A total of six (6) meetings were held during the year. The attendance record of each member during the financial year are as follows:

Name of Directors and Status	No. of Meetings Attended
Khalid bin Sufat Chairman, Senior Independent Non-Executive Director	6/6
Dr. Leong Chik Weng Member, Independent Non-Executive Director	5/6
Datin Paduka Kartini binti Hj. Abdul Manaf Member, Non-Independent Non-Executive Director	6/6

Activities during the year

During the year, the Committee:

- (i) Reviewed and recommended for approval of the Board the revision to the Terms and Conditions of the Nomination and Remuneration Committee to be in line with MCCG 2017.
- (ii) Reviewed and recommended for approval of the Board the Proposed Remuneration Policy for Board and Senior Management.
- (iii) Reviewed the result of the 2017 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.
- (iv) Reviewed and recommended for approval of the Board of Directors the proposed revision to the Board Effectiveness Evaluation Form.
- (v) Recommended for approval of the Board, the appointment of new Directors within the CCM Group based on the Board Nomination and Selection Procedure which outlines the skill sets, knowledge and experience, mindset and core values that is required in a potential candidate.
- (vi) Deliberated on the Board Succession Planning taking, into account the diversity aspect of the Board composition which can enrich Board's discussions with a breadth of perspectives, and tabled the same for discussion at the Board.
- (vii) Ensured that all Directors received appropriate continuous training programmes in order to keep abreast with developments in the relevant industry and with changes in the relevant statutory and regulatory requirements.
- (viii) Reviewed and recommended for Board approval the Group's Policy on Promotion Increment Quantum.

- (ix) Reviewed and recommended for approval of the Board the appointment, and the remuneration package of Key Responsible Person of the Group, where appropriate.
- (x) Reviewed and recommended for approval of the Board the 2019 Key Performance Indicators (KPIs);
- (xi) Reviewed and recommended for approval of the Board the Performance Related Bonus (PRB, 2017) and Performance Related Increment (PRI, 2018) for the Group.
- (xii) Reviewed and recommended for approval of the Board, the Performance Discretionary Bonus for the Group Managing Director for financial year 2017.
- (xiii) Reviewed and recommended for approval of the Board the benefits review for employees of the Group.
- (xiv) Reviewed and recommended for approval of the Board, the appointment of additional Non-Executive Non-Independent Director.
- (xv) Reviewed and approved the Employees Collective Agreement within the Group.
- (xvi) Considered other matters as referred by the Board.