

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

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

COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Committee consists of three (3) members, all of whom are Non-Executive Directors.

The current composition of the Committee stands at three (3) members, and Tan Sri Siti Sa’diah binti Sh. Bakir is the Chairman and Senior Independent Director.

A total of two (2) meetings were held during the year. The attendance record of each member during the year is as follows:

Members of NRC	No. of Meetings Attended
Tan Sri Siti Sa’diah binti Sh. Bakir Chairman, Senior Independent Non-Executive Director <i>(Appointed w.e.f. 18 May 2016, appointed as Chairman w.e.f. 1 September 2016)</i>	1/1
Dato’ Azmi bin Mohd Ali Member, Non-Independent Non-Executive Director <i>(Appointed w.e.f. 18 May 2016)</i>	1/1
Dato’ Mohamad Kamarudin bin Hassan Member, Independent Non-Executive Director <i>(Appointed w.e.f. 1 September 2016)</i>	1/1
Tan Sri Dato’ Dr. Abu Bakar bin Suleiman Member, Non-Independent Non-Executive Director <i>(Retired w.e.f. 26 May 2016)</i>	1/1
Tan Sri Dr. Jegathesan a/l N.M. Vasagam @ Manikavasagam Member, Independent Non-Executive Director <i>(Retired w.e.f. 26 May 2016)</i>	1/1
Dato’ Haji Ghazali bin Awang Chairman, Senior Independent Non-Executive Director <i>(Resigned w.e.f. 1 September 2016)</i>	1/1

Note: Two meetings were held during the year. There was full attendance for both meetings

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE (CONT'D)

Activities during the Year

During the year, the Committee:

- (i) Reviewed the result of the Board's Effectiveness Assessment (BEA) of the Board of Directors and the Audit and Risk Management Committee for 2015 and recommended improvement plans for the same. For 2016, the NRC was unable to review the BEA of the Board and Audit and Risk Management Committee due to the major changes at the board level. However, NRC had conducted a general assessment and was of the view that all Board and Audit and Risk Management Committee members had carried out their duties in accordance with their terms of reference. The NRC is also satisfied with their duties in accordance with their terms of reference. The NRC is also satisfied with their contribution and commitment at board and board committee meetings;
- (ii) Evaluated, assessed and recommended to the Board, the appointment of Non-Executive Directors of the Company, based on the Company's selection criteria;
- (iii) Reviewed and assessed the composition of Board Committees and recommend to the Board of Directors to fill the seats thereon;
- (iv) Reviewed and recommended the re-election/re-appointment of non-executive directors to the Board;
- (v) Reviewed the succession plan for the Directors of the Company and made the necessary recommendation to the Board on the required mix and skills, knowledge, experience, expertise and diversity among the Board members;
- (vi) Reviewed and recommended to the Board the annual increment and bonus package for non-unionised employees of the Company;
- (vii) Evaluated and recommended candidate for key positions/ Senior Management in the Group to the Board of Directors; and
- (viii) Ensured that all Directors received appropriate continuous training programmes in order to keep abreast with developments in related industries and changes in the relevant statutory requirements.