

STATEMENT OF NOMINATION COMMITTEE

The Nomination Committee has been established by the Board and is made up exclusively of Non-Executive Directors with a majority of them being Independent Directors.

The present members of the Nomination Committee are:

- Tan Sri Dato' Sulaiman bin Sujak – Chairman (Independent Non-Executive Director)
- Alexander Newbigging (Non-Independent Non-Executive Director)
- Vimala Menon (Senior Independent Non-Executive Director)

The Nomination Committee is responsible for identifying and recommending suitable candidates to the Board for approval, for appointments on the Board of the Company and its subsidiaries, either to fill vacancies or as additions to meet the changing needs of the Group.

The Committee shall meet at least once a year. Additional meetings shall be scheduled as considered necessary by the Committee or Chairman. The Committee may establish any procedures from time to time to govern its meetings, keeping of minutes and its administration.

The Secretary of the Committee shall be appointed by the Committee from time to time. Committee meeting agendas shall be the responsibility of the Committee Chairman with input from Committee members. The Chairman may also request Management to participate in this process. The agenda for each meeting including supporting information shall be circulated at least five (5) days before each meeting to the Committee members and all those who are required to attend the meeting.

The Committee met once during the financial year ended 31 December 2015 and details of attendance of members of the Nomination Committee are as follows:

Name of Committee Members	Attendance
Tan Sri Dato' Sulaiman bin Sujak (Chairman)	1/1
Alexander Newbigging	1/1
Vimala Menon	1/1

Members of Senior Management attended these meetings upon invitation by the Chairman of the Committee.

Each year, the Nomination Committee assesses the effectiveness of the Board and Board Committees, contributions and performance of each individual Director, as well as the CEO, and the independence of the Independent Directors. It also ensures an appropriate framework and plan for Board and Management succession for the Group.

The Nomination Committee conducts an annual review and recommends to the Board the structure, size, balance and composition of the Board and Board Committees. This requires a review of the required mix of skills and experience including core competencies which Non-Executive Directors should bring to the Board and other qualities for the Board to function effectively and efficiently.

The Nomination Committee also considers, evaluates and proposes to the Board any new board appointments, whether of executive or non-executive position. In making a recommendation to the Board on the candidate for directorship, the Committee will consider the calibre, background, skill and experience, core competencies of the candidate.

In accordance with Article 103 of the Company's AA, all Directors who were appointed by the Board during the year are subject to re-election by shareholders at the AGM following their appointment. Article 98 of the Company's AA also provides that at least one-third of the remaining Directors be subject to re-election by rotation at each AGM and all Directors are to offer themselves for re-election once every three years. The Nomination Committee also makes recommendations to the Board on the re-election of the Directors.

Thereafter, the Board carries out its own assessment based on the recommendations made by the Nomination Committee and determines the appointments to be made. The Company Secretary ensures that all appointments are properly made and that legal and regulatory obligations are met.

The Board takes note of Recommendation 2.2 of the Code pertaining to the need to establish a policy formalising the approach to boardroom diversity and to set targets and measures for the adoption of the said recommendation.

However, as disclosed in the Corporate Governance Statement, the Board has no immediate plans to implement a diversity policy or target as it is of the view that Board membership is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender, ethnicity, age and nationality. The Board is committed to diversity and has an equal opportunity policy and there are no barriers by reason of an individual's gender, ethnicity, age and nationality.

Apart from the above, Nomination Committee also carries out the evaluation of the following on an annual basis:

- (a) the independence of each Independent Director;
- (b) the effectiveness of each Director's ability to contribute to the effectiveness of the Board and the relevant Board Committees and to provide the necessary feedback to Directors in respect of their performance;

(c) the effectiveness of the Committees of the Board; and

(d) the effectiveness of the Board as a whole.

Other duties of the Nomination Committee shall include the following:

- Make recommendations to the Board on the re-appointment and re-election of Directors who are subject to retirement at forthcoming AGM;
- Evaluate and recommend the appointment of senior executive positions, including that of the Chief Executive and their duties and the continuation of their service; and
- Recommend to the Board, appropriate training and education programmes including orientating new Directors with respect to the business, structure and management of the Group as well as the expectations of the Board with regards to their contribution to the Board and Group.

Board Effectiveness Assessment

The Nomination Committee conducted an annual assessment of the Board's effectiveness as a whole and the contribution of each individual Director in respect of the financial year ended 31 December 2015 using a set of customised self-assessment questionnaires completed by the Directors.

The criteria for Board Committees and Board assessment covered areas such as purpose, composition and process, contributions in topics like strategic perspective, governance, integrity, commitment and ethics, judgement and decision making, teamwork, communication and etc. These relate directly to areas in which a Director would be expected to contribute and are designed to encourage the Director to be more effective.

The results of the self-assessment by Directors and the Board's effectiveness as a whole as compiled by the Company Secretary were tabled to the Nomination Committee for review and notation.

The Board was satisfied with the results of the annual assessment and that the current size and composition of the Board is appropriate and well-balanced with the right mix of skills with the Board composition comprising individuals of high calibre, credibility and with the necessary skills and qualifications to enable the Board to discharge its duties and responsibilities effectively.