

Statement of Nominating Committee

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

As at 31 December 2017, the members of the Nominating Committee are:

- Tan Sri Dato' Sulaiman bin Sujak – Chairman (Senior Independent Non-Executive Director)
- Haslam Preston (Non-Independent Non-Executive Director)
- Tang Saw Hua (Independent Non-Executive Director)

The Nominating Committee is responsible for identifying and recommending suitable candidates to the Board for approval and 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 meets at least once a year. Additional meetings are scheduled when 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 is appointed by the Committee from time to time. Committee meeting agenda are the responsibility of the Committee Chairman with input from Committee members. The Chairman may also request the Management to participate in this process. The agenda for each meeting including supporting information is 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 three times during the financial year ended 31 December 2017 and details of attendance of members of the Nominating Committee are as follows:

Name of Committee Members	Attendance
Tan Sri Dato' Sulaiman bin Sujak (Chairman)	3/3
Haslam Preston	3/3
Tang Saw Hua	3/3
Vimala Menon*	2/2

* Vimala Menon retired at the conclusion of the AGM on 21 April 2017.

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

Each year, the Nominating 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 the Management's succession for the Group.

The Nominating 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 Nominating Committee also considers, evaluates and proposes to the Board any new board appointments, whether of executive or non-executive position. The Committee will consider the calibre, background, skills and experience, and core competencies of the candidate when making a recommendation to the Board. The appointment of any new member to the Board is a formal and transparent process by which a candidate could be identified via a recommendation by a Board member or management, or sourced through the Jardine Matheson Group's extensive network of contacts.

In accordance with the Company's Constitution, all new Directors who are appointed by the Board are subject to re-election by shareholders at the AGM following their appointment. The Company's Constitution 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 (3) years. The Nominating 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 Nominating 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 Practice 4.4 of the Code and is committed to ensure that the appointment of the Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Board is committed to diversity and has an equal opportunity policy where there are no barriers by reason of an individual's gender, ethnicity, age and nationality.

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

- (a) the independence of each Independent Director;
- (b) 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 Nominating Committee include the following:

- Making recommendations to the Board on the re-appointment and re-election of Directors who are subject to retirement at the forthcoming AGM;
- Evaluating and recommending the appointment of senior executive positions, including that of the CEO, their duties and the continuation of their service; and
- Recommending 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 Nominating Committee conducted an annual assessment of the Board's effectiveness, as a whole and the contribution of each Director, in respect of the financial year ended 31 December 2017 using a set of customised self-assessment questionnaires completed by the Directors.

The criteria for Board Committees and Board assessment cover areas such as purpose, composition and process, contributions in topics like strategic perspective, governance, integrity, commitment and ethics, judgement and decision making, teamwork and communication. 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 was compiled by the Company Secretary and tabled to the Nominating Committee for review and notation.

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