

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of CCM Duopharma Biotech Berhad ("CCM Duopharma") is pleased to present the report on the Nomination and Remuneration Committee ("NRC" or "Committee") and its activities during the financial year ended 31 December 2017.

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, with Dato' Mohamad Kamarudin bin Hassan as the Chairman and Senior Independent Director.

During the financial year ended 31 December 2017 and following the demerger of CCM Duopharma from the Chemical Company of Malaysia Berhad ("CCMB") group of companies, Dato' Azmi bin Mohd Ali resigned from the Committee with effect from 28 December 2017. He was replaced by Dato' Eisah binti A.Rahman.

A total of four (4) 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
Dato' Mohamad Kamarudin bin Hassan <i>Chairman, Senior Independent Non-Executive Director¹</i> (Appointed as Chairman w.e.f. 28 December 2017)	4/4
Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir <i>Member, Non-Independent Non-Executive Director</i> (Chairman until 27 December 2017 and re-designated as a member w.e.f. 28 December 2017)	4/4
Dato' Eisah binti A.Rahman <i>Member, Independent Non-Executive Director</i> (Appointed w.e.f. 28 December 2017)	0/0
Dato' Azmi bin Mohd Ali <i>Member, Non-Independent Non-Executive Director</i> (Resigned w.e.f. 28 December 2017)	4/4

Note:

¹ Dato' Mohamad Kamarudin has been appointed as the Senior Independent Non-Executive Director with effect from 28 December 2017 following the re-designation of Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir as the Non-Independent Non-Executive Chairman of CCM Duopharma Biotech Berhad.

Summary of Work Done During the Year

During the year, the Committee:

- (i) Evaluated, assessed and recommended to the Board, the appointment of Non-Executive Directors of CCM Duopharma, based on the Company's selection criteria.
- (ii) Reviewed and assessed the composition of Board Committees and recommended to the Board of Directors to fill the seats thereon.
- (iii) Reviewed and recommended the re-election/re-appointment of non-executive directors to the Board.
- (iv) Reviewed the succession plan for the Directors of CCM Duopharma and made the necessary recommendation to the Board on the required mix and skills, knowledge, experience, expertise and diversity among the Board members.
- (v) Reviewed and recommended to the Board the annual increment and bonus package for non-unionised employees of CCM Duopharma.
- (vi) Evaluated and recommended candidates for key positions/ Senior Management in CCM Duopharma Group to the Board of Directors.
- (vii) 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.
- (viii) Looking at succession at senior management levels within CCM Duopharma and also reviewing the transfer of individuals from CCMB to the CCM Duopharma Group in light of demerger plans.
- (ix) Reviewed the transfer of individuals from CCMB to the CCM Duopharma Group in light of the demerger plan.