

**Objectives (cont.)**

- ix. To review management's recommendation on appointment or promotions of senior management personnel of the Group;
- x. To review and ensure that the policy on Directors' fees for the Company and Group are in line with market and industry practice and are reflective of the contribution of each individual director;
- xi. To review and approve/ratify policies on the remuneration package of Executive Directors of the Company as well as Managing Directors, Chief Executive Officer and Chief Operating Officers and General Managers of the CCM Group of Companies;
- xii. To review and approve/ratify the annual global increment and bonus package for non-unionized employees in the CCM Group of Companies;
- xiii. To review and recommend to the Board on any new Employees' Share Options Scheme of the CCM Group and/or amendments to the existing scheme.

**Members and Meetings**

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

During the year, Tan Sri Dato' Dr. Abu Bakar bin Suleiman was appointed as a Committee Member with effect from 1 October 2008. Tan Sri Dato' Dr. Mohamed Yusof bin Hashim, who resigned from the Board of the Company effective 9 December 2008, also resigned from the Committee on even date.

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

Name of Directors and Status	Number of Meetings Attended
Dato' N. Sadasivan <b>Chairman, Independent Non-Executive Director</b>	6/6
Tan Sri Ab. Rahman bin Omar <b>Non-Independent Non-Executive Director</b>	6/6
Tan Sri Dato' Dr. Mohamed Yusof bin Hashim (resigned w.e.f. 9/12/2008) <b>Independent Non-Executive Director</b>	3/6
Tan Sri Dato' Dr. Abu Bakar bin Suleiman (appointed w.e.f. 1/10/2008) <b>Non-Independent Non-Executive Director</b>	2/2

**Activities During the Year**

During the year, the Committee:

- i. Conducted the Board's effectiveness assessment and recommended improvement plans for the same.
- ii. Recommended for approval the appointment of new Directors to the Group.
- iii. Reviewed policy on Directors' fees for the Company and Group.
- iv. Recommended for approval the remuneration package of the Group Managing Director and Managing Directors/ Chief Executive Officer / Chief Operating Officer of the CCM Group of Companies.
- v. Recommended to the Board the appointment of Directors to the Board Committees.
- vi. Reviewed and approved the annual global increment and bonus package for non-unionized employees of the Group.
- 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 the management's recommendation on appointment or promotions of senior management personnel of the Group.
- ix. Reviewed and monitored the succession planning in the Company and Group.

**Report of the Finance & Investment Committee**

The Board is pleased to issue the following report on the Finance & Investment Committee and its activities during the financial year ended 31 December 2008.

**Terms of Reference**

- To review and recommend to the Board of Directors the Group's operational plan and budget;
- To review and approve all capital expenditure in excess of RM1 million and up to RM20 million as proposed by companies within the Group;
- To review and recommend to the Board of Directors all capital expenditure in excess of RM20 million as proposed by companies within the Group;

### Terms of Reference (cont.)

- To review and recommend to the Board of Directors all acquisitions and divestments of companies (excluding dormant companies) and setting up of new business, irrespective of value;
- To review and recommend to the Board of Directors all acquisition and disposal of company's assets and properties within the Group;
- To consider other matters as referred to the Committee by the Board.

### Members and Meetings

The Committee shall have a minimum of three (3) members, all of whom are Non-Executive Directors.

A total of eleven (11) meetings were held during the year. The attendance record of each member during the year (in the case of Director appointed after 1 January 2008 since the date of their appointment) is as follows:

Name of Directors and Status	Number of Meetings Attended
E. Sreesanthan <b>Chairman, Non-Independent Non-Executive Director</b>	11/11
Tan Sri Dato' Dr. Abu Bakar bin Suleiman <b>Non-Independent Non-Executive Director</b>	10/11
Dato' Kalsom binti Abdul Rahman (resigned from the Committee w.e.f. 1/10/2008 and reappointed w.e.f. 1/1/2009) <b>Independent Non-Executive Director</b>	9/9
Mohd. Nizam bin Zainordin (appointed w.e.f. 11/5/2009) <b>Non-Independent Non-Executive Director</b>	N/A
Jamiah binti Abdul Hamid (resigned w.e.f. 5/5/2009) <b>Non-Independent Non-Executive Director</b>	8/11

## Risk Management

Risk is inherent in all businesses and the effective management of risk is a core competency within the Group. The Group has formally established an Enterprise Risk Management (ERM) framework since 2001 and it forms an integral part of the Group's corporate governance structure and a key management tool.

The Group's Risk Management Facilitation Team provides the main support to the Risk Management Council, chaired by the Group Managing Director and comprises Senior Management staff of the Group.

The Group adopts a systematic, structured and disciplined approach to risk management through its integrated ERM. A good ERM framework advocates a holistic, robust, integrated, focused and process-oriented approach is implemented to assist the Group to manage all key businesses and opportunities with the intent of optimizing and creation of stakeholders' values for the Group as a whole.

The underlying principal of ERM is for the risk functions to operate as an independent control working in partnership with the business units to provide competitive advantage to the Group. This is also to establish a common risk management language that includes common measures around likelihood, impact and common risk categories.

The risks facing the Group in its businesses and operations can result from internal and external factors, hence the context within which the Group manages the risks and key focus of accountability are as follows:



The Group recognises the broad spectrum of risks which it faces along with the opportunities which it seeks in its businesses and operations. It is hence, the Group's objective to maintain an effective risk management programme to assess and mitigate these risks and thereby facilitate the Group in meeting all its business objectives, most specifically:

- To enhance the Group's high standards of corporate governance;