

Report of the nomination & remuneration committee

The Board is pleased to issue the following report on the Nomination and Remuneration Committee and its activities during the financial year ended 31 December 2007.

Terms of reference

Objectives

- i. to recommend to the Board of Directors, candidates for all directorships in the Company and Group to be appointed by the shareholders or the Board;
- ii. to recommend to the Board, directors to fill seats on Board Committees;
- iii. to consider candidates for directorships proposed by the Group Managing Director and, within bounds of practicability, by any other senior executive or any director or shareholder;
- iv. to evaluate the effectiveness of the Board and Board Committees with regard to their structure, size, balance and composition including the required mix of skills, knowledge, expertise, experience, professionalism, integrity including core competencies which non-executive directors should bring to the board, and contributions of each individual director;
- v. to evaluate the candidates' ability to discharge such responsibilities / functions as expected from non-executive directors, in the case of candidates for the position of independent non-executive directors;
- vi. to provide adequate training and orientation to new Directors as well as continuous training to current Directors with respect to business, structure and management of the Group as well as the expectations of the Board;
- vii. to recommend to the Board whether Directors retiring by rotation should be put forward for re-election;
- viii. to ensure an appropriate framework and plan for Board and management succession in the Group;
- 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 an 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 and Divisional Directors of the Company as well as Managing Directors, Chief Executive Officer and Chief Operating Officers of subsidiary 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 meeting

The Nomination and Remuneration Committee consists of three [3] members, all of whom are Non-Executive Directors.

A total of four [4] meetings were held during the year. The attendance record of each member during the year is as follows:

Name	Status of Directorship	Number of Meetings Attended
Dato' N. Sadasivan [Chairman]	Independent Non-Executive	3/4
Tan Sri Ab Rahman bin Omar	Non-Independent Non-Executive	4/4
Tan Sri Dato' Dr Mohamed Yusof bin Hashim	Independent Non-Executive	4/4

Activities during the year

During the year, the Committee:

- i. conducted Board's effectiveness assessment and recommended improvement plans for the same.
- ii. recommended for approval the appointment of new Directors to the Board.
- iii. reviewed policy on Directors' fees for the Company and Group.
- iv. recommended for approval the remuneration package of the CCM Group Managing Director and Divisional Directors and Managing Directors / Chief Executive Officer / Chief Operating Officers of Subsidiary 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 financial 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.
- x. reviewed the implementation of the Employees' Share Option Scheme of the Group.