

Report of the Nomination and 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 2010 to date.

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/Executive 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 recommendations 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 recommend to the Board policies on the remuneration package of Executive Directors of the Company as well as Managing Directors, Chief Executive Officers, Chief Operating Officers and General Managers of the CCM Group of Companies;
- xii. To review and recommend to the Board the annual increment and bonus package for non-unionised 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 shall have at least three (3) members, all of whom shall be Non-Executive Directors with the majority being independent directors. The quorum for the Committee shall be two (2) members, of which one should be an independent director. In the absence of the Chairman of the Committee, the members present shall elect one of their number to chair the meeting. The Secretary of the Committee shall be the Group Company Secretary.

During the year, there was changes to the membership of the Board, resulting to changes to the composition of the Nomination and Remuneration Committee. Dato' Kalsom binti Abdul Rahman, Tan Sri Ab. Rahman bin Omar and Tan Sri Dato' Dr. Abu Bakar bin Suleiman who resigned from the Board of the Company on 10 January 2011, 10 January 2011 and 11 October 2010 respectively, also resigned from the Committee on even date. Azmi bin Mohd. Ali who was appointed a member on 8 October 2010 also resigned from the Committee on 10 January 2011 when the Board Committees' composition were reviewed. On 10 January 2011, Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman was

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appointed as Chairman of the Committee, while Khalid bin Sufat and Dr. Leong Chik Weng were appointed as members of the Committee. The current composition of the Committee now stands at three (3) members.

A total of eleven (11) meetings were held during the year to date. The attendance record of each member during the year are as follows:

Name of Directors and Status	No. of Meetings Attended
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman Chairman, Non-Independent Non-Executive Director (appointed w.e.f. 10/01/2011)	1/1
Khalid bin Sufat Senior Independent Non-Executive Director (appointed w.e.f. 10/01/2011)	1/1
Dr. Leong Chik Weng Independent Non-Executive Director (appointed w.e.f. 10/01/2011)	1/1
Dato' Kalsom binti Abdul Rahman Chairman, Senior Independent Non-Executive Director (appointed w.e.f. 25/02/2010 and resigned w.e.f. 10/01/2011)	9/9
Tan Sri Ab. Rahman bin Omar Non-Independent Non-Executive Director (resigned w.e.f. 10/01/2011)	9/10
Tan Sri Dato' Dr. Abu Bakar bin Suleiman Non-Independent Non-Executive Director (resigned w.e.f. 11/10/2010)	7/7
Azmi bin Mohd Ali Non-Independent Non-Executive Director (appointed w.e.f. 08/10/2010 and resigned w.e.f. 10/01/2011)	3/3

ACTIVITIES DURING THE YEAR

During the year, the Committee:

- i. Conducted the Board's effectiveness assessment and recommended improvement plans;
- ii. Recommended for approval of the Board the appointment of new Directors to the Group;
- iii. Recommended for approval of the Board the appointment of Directors to the Board Committees;
- iv. Reviewed policy on Directors' fees for the Company and the Group;
- v. Recommended for approval of the Board the remuneration package of the Group Managing Director/ Executive Director and Division Directors/Chief Executive Officer/Chief Operating Officers of the CCM Group of Companies;
- vi. Reviewed and recommend for approval of the Board the annual global increment and bonus package for non-unionised 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 the Group.
- x. Considered other matters as referred by the Board.