

# REMUNERATION AND NOMINATION COMMITTEE STATEMENT

## REMUNERATION AND NOMINATION COMMITTEE (“RNC”)

The RNC assists the Board of Directors of Malayan Cement Berhad (the “Company”) (“Board”) in discharging its responsibilities, mainly,

- by overseeing the selection and assessment of Directors to ensure that the composition of the Board meets the needs of the Company and its subsidiaries (“MCB Group”); and
- establishing, reviewing and making recommendations to the Board on the remuneration policy and procedures, and ensuring that the Directors and senior management are appropriately remunerated to ensure the long-term sustainable success of the MCB Group.

The terms of reference of the RNC can be found under the “Governance” section on the Company’s website at [www.ytlcement.my](http://www.ytlcement.my).

During the financial year ended 30 June 2023, five (5) meetings were held and the details of attendance are as follows:

Members of the RNC	Attendance
Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir (Chairman)^	1/1
Yap Seng Chong^	1/1
Fong Yee Mei^	1/1
Tan Sri Datuk Asmat Bin Kamaludin (Chairman)*	3/4
Dato’ Tan Guan Cheong*	4/4
Dato’ Yoogalingam A/L Vyramuttu*	4/4

^ Appointed on 30 May 2023

\* Resigned on 30 May 2023

## BOARD NOMINATION AND ELECTION PROCESS AND CRITERIA USED

The RNC is responsible for considering and making recommendations to the Board, candidates for directorship when the need arises such as to fill a vacancy arising from resignation or retirement or to close any skills, competencies, experience or diversity gap that has been identified or to strengthen Board composition. Candidates may be proposed by the Managing Director or any Director or shareholder and must fulfil the requirements prescribed under the relevant laws and regulations for appointment as director. A candidate’s suitability for appointment will be based primarily on the individual’s merits, fitness and propriety in line with the *Fit and Proper Policy* adopted by the Board, as well as the strategic aim for the appointment.

During the financial year, the RNC undertook the review of candidates to succeed the roles left vacant by the resignation of the independent directors pursuant to the 12-years tenure limit for independent directors under the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Listing Requirements”), which came into effect on 1 June 2023.

## ACTIVITIES OF THE RNC FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

### (i) Review of candidates proposed for appointment as Independent Non-Executive Director and members of the Board Committees

In May 2023, the RNC evaluated and recommended to the Board, the appointment of Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir, Mr Yap Seng Chong and Ms Fong Yee Mei as Independent Non-Executive Directors and concurrently as members of the Board Committees, to fill the casual positions arising from the resignations of Tan Sri Datuk Asmat Bin Kamaludin, Dato’ Tan Guan Cheong, Dato’ Yoogalingam A/L Vyramuttu and Mr Yeoh Khoon Cheng on 30 May 2023.

The RNC evaluated each candidate in accordance with the *Fit and Proper Policy* of the Company, amongst others, the candidates’ backgrounds, knowledge, experiences, skillsets, fitness and propriety, professionalism, characters, integrity, external appointments and associated time commitments expected of their roles.

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The RNC was satisfied with the combination of qualifications, skillsets and experiences of the candidates which will bring diversity required in the Board as follows:

Name	Nomination for	Justification
Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir	Appointment to the Board, chairman of the RNC and member of the Audit and Risk Management Committee ("ARMC")	A professional engineer with experience overseeing national policies on higher learning, energy, science, technology, innovation and climate change in Malaysia will strengthen the Board and widen its perspective.
Mr Yap Seng Chong	Appointment to the Board, chairman of the ARMC and member of the RNC	An accounting degree holder, member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants with long-standing career in the assurance and business advisory services sector and past high-level roles and contributions to the MIA put him in good stead for a lead role in the ARMC.
Ms Fong Yee Mei	Appointment to the Board and members of the ARMC and RNC	A chartered surveyor with extensive experience in the asset valuation industry and entrepreneurship in the health and wellness industry will help broaden the Board's knowledge.

Additionally, the RNC concurred that they fulfilled the criteria necessary for appointment to the role of an independent director and member of Board Committees, and that they have sufficient time available to devote to the roles.

### (ii) Review of Directors standing for re-election

In June 2023, based on the schedule of retirement by rotation and in conjunction with the annual evaluation exercise, the RNC (save for the members who abstained from deliberations in respect of their own re-election) resolved to recommend to the Board that:-

- Tan Sri (Sir) Francis Yeoh Sock Siong and Dato' Yeoh Seok Kian (collectively, the "EDs") who are due to retire by rotation pursuant to Article 85 of the Company's Constitution at the Seventy-Third Annual General Meeting of the Company ("73rd AGM"), stand for re-election;
- Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir, Mr Yap Seng Chong and Ms Fong Yee Mei (collectively, the "INEDs") who were appointed during the year and are due to retire pursuant to Article 84 of the Company's Constitution at the 73rd AGM, stand for re-election.

The RNC was satisfied that the EDs who have a wealth of experience, knowledge and insights of the business, operations and growth strategies of the MCB Group, performed and contributed effectively as indicated by the performance evaluation results. The RNC also considered their fitness and propriety, in particular their character and integrity, experience and competence, as well as their time commitment to their roles and responsibilities.

As for the INEDs who were appointed to the Board recently to fill the casual vacancies on the Board, the RNC had conducted an in-depth assessment and due diligence before their appointment and concurred that they continue to meet the fit and proper criteria as stated in the *Fit and Proper Policy* in discharging their roles and responsibilities in bringing independent and objective judgement to the Board deliberations, and fulfil the independent director criteria set out in the Listing Requirements.

### (iii) Annual evaluation

In May 2023, the annual evaluation of the effectiveness of the Board as a whole, Board Committees, individual and/or Independent Directors was carried out. The evaluation exercise was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms.

Besides composition and diversity, Board effectiveness evaluation covered the areas of quality of governance and decision making, including ability in addressing and managing the Company's material sustainability risk and opportunities, while Board Committees were assessed on their composition, expertise, and whether their functions and responsibilities were effectively discharged in accordance with their respective terms of reference.

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Individual Directors were evaluated on their fit and properness, caliber, character and integrity, contribution, performance and time commitment; whether they have shown the will and ability to deliberate constructively, ask the right questions and confidence to stand up for a point of view.

Results of the evaluations indicated no evident weaknesses or shortcomings which require mitigating measure. The Board and the Board Committees continue to operate effectively and the performance of the Directors and the time commitment in discharging their duties as Directors of the Company for the financial year ended 30 June 2023 were satisfactory.

The RNC with the concurrence of the Board was of the view that the Board is of the right size and has an appropriate mix of skills, experience, perspective, independence and diversity, including gender diversity needed to meet the needs of the Company.

### **(iv) Review of the evaluation criteria in the evaluation forms**

The RNC reviewed the revised and new evaluation criteria set out in the evaluation forms to ensure consistency with the Malaysian Code on Corporate Governance and Listing Requirements.

### **(v) Review of the RNC Statement for the financial year ended 30 June 2022**

The RNC reviewed the RNC Statement prior to its recommendation to the Board for inclusion in the 2022 Annual Report.

### **(vi) Review of Directors' remuneration**

The RNC assessed the remuneration of the Directors and senior management who are also Executive Directors of the Company, as well as fees and meeting attendance allowance (benefits) proposed for the Independent Non-Executive Directors ("INED Remuneration"), guided by the framework set out in the *Remuneration Policy and Procedures for Directors and Senior Management*. The remuneration of the Directors and the INED Remuneration were benchmarked against comparable listed companies in Malaysia in terms of industry and size/market capitalisation. Taking into account the Company's market capitalisation, equitability and market competitiveness, as well as the MCB Group's overall performance, the RNC considered the remuneration of the Executive Directors to be comparable or within the range of industry benchmarks.

It also considered the performance of the Independent Non-Executive Directors as indicated by the evaluations conducted and responsibilities assumed by the Directors, as well as the overall performance of the MCB Group. The RNC ensured that none of them was involved in the decision regarding his/her own remuneration outcome and recommended to the Board for shareholders' approval that the INED Remuneration remains unchanged as it was still competitive and on par with the market rate.

## POLICY ON BOARD COMPOSITION

As the Board's overriding aim is to maintain a strong and effective Board, it seeks to ensure that all appointments are made on merit, taking into account the collective balance of elements such as skills, experience, age, gender, ethnicity, background and perspective. The Board recognises the importance of encouraging and developing female talent at all levels. There are currently three female directors on the Board comprising 37.5% of the Board, exceeding the 30% recommended under the Malaysian Code on Corporate Governance. The Board intends to continue its current approach to diversity in all aspects while at the same time seeking Board members of the highest caliber, and with the necessary strength, experience and skills to meet the needs of the Company.

## INDUCTION, TRAINING AND DEVELOPMENT OF DIRECTORS

Upon joining the Board, a newly appointed Director will be given an induction pack containing the Company's annual report, various policies adopted by the Company, terms of references of the Board Committees, Constitution, and schedule of meetings of the Board and Board Committees (if the Director is also a Committee member) which will serve as an initial introduction to the Company and its subsidiaries as well as an ongoing reference. This is followed by familiarisation visits to the MCB Group's operational sites and meetings with senior management where practicable and appropriate.

The Board, through the RNC, assesses the training needs of its Directors on an ongoing basis by determining areas that would best strengthen their contributions to the Board.

Besides the findings from the annual performance evaluation of Directors, which provide the RNC with useful insights into the training needs of the Directors, each Director is requested to identify appropriate training that he/she believes will enhance his/her contribution to the Board.

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The Board has taken steps to ensure that its members have access to appropriate continuing education programmes. The Company Secretary facilitates the organisation of in-house development programmes and keeps Directors informed of relevant external training programmes.

During the financial year ended 30 June 2023, the following seven in-house training programmes were organised for the Directors:

- Cybersecurity Training – Imposter Among Us;
- Cybersecurity Training – Cyberattacks;
- Cybersecurity Training – Best Practices;
- YTL LEAD Conference 2022;
- Anti-Bribery & Corruption (ABC) Refresher Course;
- Directors Guide to Machine Learning and Artificial Intelligence;
- Sustainable Finance.

All the Directors have undergone training programmes during the financial year ended 30 June 2023. The conferences, seminars and training programmes attended by one or more of the Directors covered the following areas:-

Seminars/Conferences/Training	Attended by
<b>■ Risk Management/Compliance/Anti-Corruption/Environmental, Social &amp; Governance/Sustainability</b>	
PwC Webcast – Is Your Audit Committee Prepared in the Event of an Unexpected Investigation? How to Plan, Respond and Emerge Stronger (4 September 2022)	Yap Seng Chong
ICDM: Mandatory Accreditation Programme (21 – 22 November 2022)	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir
ISSB Corporate Reporting Webinar Series – Better Information for Better Decisions: Introduction to Investor – Focused Sustainability Disclosure (27 January 2023)	Yap Seng Chong
Nova Fusion Sdn Bhd – Integrated Reporting (8 February 2023)	Yap Seng Chong
EY: Briefing on recent developments on ESG (17 February 2023)	Yap Seng Chong
Keynote Speaker for RISM International Research Conference 2023 (RISM IRC 5.0) : “Bridging World: Towards Future Sustainability and Technology in the Built Environment” (25 February 2023)	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir
PwC Webcast – Building Trust through Data Privacy and Protection (12 March 2023)	Yap Seng Chong

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Seminars/Conferences/Training	Attended by
<b>■ Risk Management/Compliance/Anti-Corruption/Environmental, Social &amp; Governance/Sustainability (cont'd)</b>	
PwC Crypto Webcast - Re-establishing trust: Crypto crimes and risk management considerations (27 March 2023)	Yap Seng Chong
Anti-Bribery & Corruption (ABC) Refresher Course (March 2023)	Tan Sri (Sir) Francis Yeoh Sock Ping
MBOT: Borneo Symposium 2023 - Preparing Sustainable Workforce (11 - 12 May 2023)	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir
Institute of Singapore Chartered Accountants/ SAC Capital: Sustainability E-Training for Directors (17 May 2023)	Tan Sri (Sir) Francis Yeoh Sock Ping
Sustainable Finance (31 May 2023)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Soo Keng Fong Yee Mei Yap Seng Chong
<b>■ Cybersecurity/Technology</b>	
Cybersecurity Training - Imposter Among Us (July 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping
Unit Perancang Ekonomi (EPU), Jabatan Perdana Menteri dan United Nations Development Programme: Jemputan Menghadiri Persidangan Inovasi Malaysia Tahun 2022 (2 August 2022)	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir
Cybersecurity Training - Cyberattacks (September 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping
Cybersecurity Training - Best Practices (October 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping
Malaysia Board of Technologists ("MBOT"); Seoul Accord Workshop in Ireland (4 October 2022)	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir
Research Management Unit, EPU and UCSI: Seminar on SDG 9: "What's Up Malaysia?: "Adoption of Technology and Acceleration of RCI in industry sector" (27 October 2022)	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir
Webinar by MBOT & Association of Information Security Professionals (AiSP Singapore): Ladies in Cyber (1 November 2022)	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir

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Seminars/Conferences/Training	Attended by
<b>■ Cybersecurity/Technology (cont'd)</b>	
Directors Guide to Machine Learning and Artificial Intelligence (3 April 2023)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' Yeoh Soo Hong Dato' Yeoh Soo Keng
Plenary speaker for Technological Association Malaysia National Conference 2023: "Technology Without Borders 2023" (15 April 2023)	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir
Akademi Kepimpinan Pendidikan Tinggi (AKEPT): Pembentangan Seminar & Bengkel Pendidikan Science, Technology, Engineering and Mathematics (STEM) (3 May 2023)	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir
<b>■ Leadership and Business Management</b>	
Earning Employees' Trust in an Era of Hyper-Competition (13 August 2022)	Yap Seng Chong
Kementerian Pengangkutan Malaysia Tahun 2022: Ucaptama Dalam Program Bicara Eksekutif (13 September 2022)	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir
YTL LEAD Conference 2022 (9 November 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' Yeoh Seok Hong Dato' Sri Michael Yeoh Sock Siong Dato' Yeoh Soo Keng
Guest Speaker for the MAHSA Academic Transformation Series - "Futuristic Education: Priorities and Patterns" (13 January 2023)	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir
Asia Business Council: 2023 Spring Forum - The Changing Landscape of Asian Business and Innovation (16 - 18 March 2023)	Dato' Yeoh Seok Hong
AKEPT & UMS: Keynote speaker for Sustainable Development Goals Leadership: University for Society (SDGU4S) Cohort 2 - Overcoming Challenges towards Impactful University-Community Engagement: The Way Forward (22 May 2023)	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir
UCSI University: Forum on Designing the Future - What's Next for Malaysia? (25 May 2023)	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir

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Seminars/Conferences/Training	Attended by
<b>■ Finance/Economy/Capital Markets Investments/Taxation</b>	
PwC Quarterly Accounting Webcast (15 July 2022, 18 December 2022, 22 January 2023 and 26 June 2023)	Yap Seng Chong
PwC Webcast - Health industries year-end accounting and reporting hot topics (8 January 2023)	Yap Seng Chong
PwC Webcast - IFRS year end accounting (23 January 2023)	Yap Seng Chong
EY ASEAN Tax Forum 2023 - Elevating the role of tax within the finance transformation agenda and e-invoicing and other drivers for digital transformation (16 - 17 May 2023)	Yap Seng Chong
40th JAMECA-MAJECA Joint Conference: Deepening Economic Relations Between Japan and Malaysia through Multi-Layered Co-Creation (25 May 2023)	Dato' Yeoh Seok Kian