

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
- 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 Company and its subsidiaries (“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.

During the financial year ended 30 June 2024, four (4) 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 (<i>Chairman</i>)	4/4
Yap Seng Chong	4/4
Fong Yee Mei	4/4

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.

ACTIVITIES OF THE RNC FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

(i) Annual evaluation

In May 2024, 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.

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

Results of the evaluations indicated no evident weaknesses or shortcomings which require mitigating measure. The Board and the Board Committees continue to perform effectively and the Directors demonstrated satisfactory performance and commitment in discharging their responsibilities for the financial year ended 30 June 2024.

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.

Remuneration and Nomination Committee Statement

(ii) Review of Directors standing for re-election

In June 2024, based on the schedule of retirement by rotation and in conjunction with the annual evaluation exercise, the RNC evaluated and recommended to the Board that Dato' Seri Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong and Dato' Yeoh Soo Keng (collectively, the "EDs") who are due to retire by rotation pursuant to Article 85 of the Company's Constitution at the Seventy-Fourth Annual General Meeting of the Company ("74th 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 and commitment to their roles and responsibilities.

(iii) Review of the terms of reference of the RNC

The RNC reviewed and recommended to the Board the amendments to its terms of reference to incorporate a broader scope of responsibilities in the review of the conflict of interest, in accordance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements").

(iv) Review of the evaluation forms

The RNC reviewed and recommended to the Board the adoption of revised 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 2024

The RNC reviewed the RNC Statement prior to its recommendation to the Board for inclusion in the 2024 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, the responsibilities assumed and their contributions, 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 reasonable, competitive, and aligned with the market and the MCB Group's overall performance.

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.

Remuneration and Nomination Committee Statement

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 MCB Group 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.

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 2024, the following in-house training programmes were organised for the Directors:

- YTL LEAD Conference 2023;
- Cybersecurity Refresher Quiz Module;
- Managing NFR (Non-Financial Risks) as a Driver for Organisational Performance.

All the Directors have undergone training programmes during the financial year ended 30 June 2024. The conferences, seminars and training programmes attended by one or more of the Directors covered the following areas:

Seminars/Conferences/Training	Attended by
■ Risk Management/Compliance/Anti-Corruption/Environmental, Social & Governance/ Sustainability	
<ul style="list-style-type: none"> • Managing NFR (Non-Financial Risks) as a Driver for Organisational Performance 	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' Seri Yeoh Seok Hong Dato' Yeoh Soo Keng Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir Yap Seng Chong
<ul style="list-style-type: none"> • Institute of Corporate Directors of Malaysia (ICDM): Chairman's Masterclass: Driving Sustainability from the Chair 	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir
<ul style="list-style-type: none"> • ICDM PowerTalk Series: Being Sued as an Independent Non-Executive Director - A Personal Journey 	Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir

Remuneration and Nomination Committee Statement

Seminars/Conferences/Training	Attended by
■ Risk Management/Compliance/Anti-Corruption/ Environmental, Social & Governance/ Sustainability (cont'd)	
• EY Webinar: ESG - Bursa Malaysia's Enhanced Sustainability Reporting Requirements	Yap Seng Chong
• Bursa Malaysia: Advocacy Sessions for Directors and CEOs for Main Market Listed Issuers	Yap Seng Chong Fong Yee Mei
• Internal Audit - How to Remain Relevant Amid Disruption	Yap Seng Chong
• ICDM: Mandatory Accreditation Programme Part I	Fong Yee Mei
• ICDM: Mandatory Accreditation Programme Part II: Leading for Impact	Yap Seng Chong
• KPMG Global: Navigating the ESG Reporting Requirements in Asia Pacific	Yap Seng Chong
• PwC Global Accounting Podcast-Talking ESG: Building Effective Sustainability Reporting Governance	Yap Seng Chong
■ Cybersecurity/Technology	
• Cybersecurity Refresher Quiz Module	Dato' Yeoh Seok Kian Dato' Sri Michael Yeoh Sock Siong Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir Fong Yee Mei
• A new era of transparency - Preparing for SEC Cyber Disclosure Requirements	Yap Seng Chong
• PwC Global Webcast: How to be Human in the Age of Artificial Intelligent	Yap Seng Chong
• PwC Global Webcast - Risk & Responsible Artificial Intelligent	Yap Seng Chong
• PwC Global Webcast: Finance Transformation-Powered by Generative AI	Yap Seng Chong
■ Leadership and Business & Property Management	
• YTL LEAD Conference 2023	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' Seri Yeoh Seok Hong Dato' Sri Michael Yeoh Sock Siong Dato' Yeoh Soo Keng Professor Datuk Ts. Ir. Dr. Siti Hamisah Binti Tapsir Fong Yee Mei
• MIPFM CPD Seminar Series 2023: Property Management Practice	Fong Yee Mei

Remuneration and Nomination Committee Statement

Seminars/Conferences/Training	Attended by
■ Finance and Accounting	
• PwC Quarterly Accounting Webcast (Q2 2023)	Yap Seng Chong
• IFRS S1 and S2 Readiness Briefing by Deloitte Consulting	Yap Seng Chong
• PwC Global Webcast: 2023 Year-end Audit Committee Webcast	Yap Seng Chong
• PwC Global Webcast: IFRS 2023 Year-end Accounting	Yap Seng Chong
• PwC Quarterly Accounting Webcast (Q1 2024)	Yap Seng Chong
