KK MART RETAIL BERHAD

REGISTRATION NO.: 202301037992 (1531914-U)

BOARD CHARTER

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1. INTRODUCTION

1.1 The Board of Directors of KK MART RETAIL BERHAD ("**Company**") ("**Board**") is primarily responsible for the leadership of the Company and its subsidiaries' ("**Group**") in meeting its objectives and delivering sustainable value to its stakeholders.

1.2 In discharging its fiduciary duties and leadership functions, the Board sets the appropriate tone at the top, establishing the strategic direction of the Group while exercising oversight on management. This Board Charter serves as the primary source of reference and induction material that guides proper governance standards and the conduct of existing and future members of the Board by defining the manner in which the Board exercises its authority and discharges its responsibilities in managing the business and affairs of the Company. It also sets out the delegation of authority by the Board to various Board committees ("**Board Committees**") to ensure that the Board members in performing their responsibilities on behalf of the Group, would act in the best interests of all stakeholders.

1.3 This Board Charter is subject to the provisions of the Companies Act 2016 ("**Act**"), the Company's constitution ("**Constitution**"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), the practices and guidance of the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia ("**MCCG**") and any other applicable laws or regulatory requirements.

2. PURPOSE

2.1 This Board Charter sets out the Board's strategic intent and outlines the roles, responsibilities and powers that the Board specifically reserves for itself, and those which it delegates to management, and sets the tone of the various Board Committees.

2.2 This Board Charter is to promote high standards of corporate governance and is designed to provide guidance and clarity for the Directors and management with regard to the role of the Board and the Board Committees, the requirements expected of the Directors in carrying out their role and in discharging their duties towards the Company as well as the Board's operating practices.

2.3 This Board Charter serves as a reference point for Board activities and should not be construed as a blueprint for Board operations.

2.4 This Board Charter does not overrule or pre-empt the statutory requirements of Directors as enshrined in the Act, the Income Tax Act 1967 and other relevant statutes, including the conduct of the Board as stipulated in the Constitution. To the extent of any conflict between the terms of this Board Charter and the Constitution, the Constitution shall prevail.

3. BOARD STRUCTURE

3.1 Board Composition

(1) The Board shall comprise a balance of Executive Directors and Non-Executive Directors, including Independent Directors, such that no individual or a group of individuals can dominate the Board's decision making.

(2) The Board shall consist of a diverse set of qualified individuals with the appropriate mix of skills and experience, knowledge, expertise and independent elements that fit the Group's objectives and strategic goals. The Board through the Nomination and Remuneration Committee ("**NRC**") will review its composition at least once annually taking into consideration the appropriate competence, experience, character, integrity, diversity and time which the Directors are able to set aside to be able to discharge their role effectively.

(3) Pursuant to the Constitution, the number of Directors (excluding Alternate Directors) shall not be less than two (2) nor more than nine (9).

(4) In accordance with Paragraph 15.02 of the Listing Requirements, the Company must ensure that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors and at least one (1) Director is a woman. If the number of Directors is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used.

(5) In the event of any vacancy in the Board resulting in non-compliance with Clause 3.1(4) above, the Company must fill the vacancy within three (3) months of the event.

(6) The Board acknowledges the importance of objective and independent deliberation in decision making. At least half of the Board shall comprise Independent Directors to ensure a balance of power and authority on the Board.

(7) The Chairperson of the Board shall not be a member of the Audit Committee ("**AC**"), Sustainability and Risk Management Committee ("**SRMC**") nor the NRC.

(8) Pursuant to Paragraph 15.06 of the Listing Requirements, the Directors must not hold more than five (5) directorships in listed companies on Bursa Securities. Before accepting any new directorship, the Directors shall notify the Chairperson of the Board, the notification of which shall include an indication of time that will be spent on the new appointment.

(9) The Board shall endeavour to maintain the Board composition of at least 30% women Directors on the Board as per Practice 5.9 of the MCCG.

3.2 Appointment

(1) The appointment of a new Director is a matter for consideration and decision by the Board upon recommendation from the NRC.

(2) In making its recommendation, the NRC shall consider the character, experience, competence, integrity and time commitment of the candidates, as well as the following factors:-

(a) meeting the Company's fit and proper criteria;

(b) skills, knowledge and expertise;

(c) age and gender;

(d) professionalism;

(e) cultural background and diversity;

(f) commitment;

(g) contribution and performance; and

(h) in the case of candidates for the position of Independent Directors, the Board shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Directors.

(3) Upon the appointment of a Director, the said Director shall provide to Bursa Securities an undertaking prescribed by Bursa Securities in any event not later than fourteen (14) days of his/her appointment.

(4) New Directors are expected to have such expertise and experience that enable them to make a positive contribution to and actively participate in the Board's oversight role and responsibilities. In accepting their appointment to the Board, new Directors are deemed to have agreed to commit sufficient time to attend the Company's meetings and to attend to any matters as may be required of them.

(5) The Board does not rely solely on recommendations from existing Board members, management or major shareholders to identify potential candidates for appointment as Directors but may also utilise independent sources to identify suitably qualified candidates. If the selection of candidates is based solely on recommendations made by existing Directors, management or major shareholders of the Company, the NRC must explain why such source(s) suffice and other sources were not used.

(6) A Director shall at all times avoid conflict of interest, and shall as soon as practicable after the relevant facts have come to his/her knowledge, declare the nature of his/her interest at a Board meeting of the Directors of the Company. Every Director shall give notice to the Company of such events and matters relating to him/her as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act.

(7) No person shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an "active politician" if he is a Member of Parliament or a State Assemblyman or holds a position at the Supreme Council or division level in a political party.

3.3 Tenure of Directors

(1) The NRC should ensure that the composition of the Board is refreshed periodically. The tenure of each Director should be reviewed by the NRC and annual re-election of a Director should be contingent on a satisfactory evaluation of the Director's performance and contribution to the Board.

(2) Pursuant to the Constitution, at the Annual General Meeting ("**AGM**"), one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the AGM in every year provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Any new Director appointed during the year shall hold office until the next AGM and shall be eligible for re-election.

(3) The Directors to retire in every year shall be the Directors who have been longest in office since the Directors' last election, but as between persons who became Directors on the same day, the Directors to retire shall be determined by lot, unless they otherwise agreed among themselves.

(4) The tenure of an Independent Director shall not exceed a cumulative term limit of nine (9) years. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director.

(5) If the Board intends to retain an Independent Director beyond nine (9) years, it shall justify and seek annual shareholders' approval through a two-tier voting process in accordance with the MCCG.

(6) A candidate shall not be considered fit for directorship if he or she:-

(a) is an undischarged bankrupt;

(b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;

(c) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he/she acted fraudulently or dishonestly; or

(d) has been convicted by a court of law of an offence under the securities laws of Malaysia or the Act,

within a period of five (5) years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

(7) The office of a Director shall become vacant if the Director:-

(a) falls within the circumstances set out in Section 208 of the Act, where the Director:

(i) resigns from office as Director by giving a written notice to the Company at its registered office;

(ii) retires in accordance with the Act or the Constitution but is not re-elected;

(iii) is removed from office in accordance with the Act or the Constitution;

(iv) becomes disqualified from being a Director under Section 198 or 199 of the Act;

(v) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;

(vi) dies; or

(vii) otherwise vacates office in accordance with the Constitution;

(b) is absent from more than 50% of the total Board meetings held during a financial year, unless exemption or waiver is obtained from Bursa Securities; or

(c) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences listed in Clause 3.3(6) above.

(8) For the purposes of Clause 3.3(7)(b) above, if a Director is appointed after the commencement of a financial year, then only the Board meetings held after his/her appointment will be taken into account.

(9) Where a Director is removed from office, the Company must forward to Bursa Securities a copy of any written representations made by the Director in

question at the same time as copies of such representations are sent to members of the Company under Section 207(3)(b) of the Act, unless copies of such representations need not be sent out by reason of the circumstances specified in Section 207(5) of the Act.

3.4 Board Independence

(1) Independence of the Board is critical to ensure that the Board fulfils its role objectively and holds the management accountable to the Company. They serve as active watchdogs who are crucial in protecting the Company's integrity and building trust with stakeholders. Independent of the day-to-day operations, they offer an objective viewpoint, challenge the status quo, and hold management accountable in ways that Executive Directors often cannot.

(2) An Independent Director means a Director who is independent of management and is free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company.

Without limiting the generality of the foregoing, an Independent Director is one who:-

(a) is not an Executive Director of the Company or any related corporation of the Company (each corporation is referred to as "**said Corporation**");

(b) is not, and has not been within the last three (3) years, an officer of the said Corporation.

For this purpose, "officer" has the meaning given in Section 2 of the Act but excludes a Director who has served as an Independent Director in any one or more of the said Corporation for a cumulative period of less than twelve (12) years;

(c) is not a major shareholder of the said Corporation;

(d) is not a family member of any Executive Director, officer or major shareholder of the said Corporation;

(e) is not acting as a nominee or representative of any Executive Director or major shareholder of the said Corporation;

(f) has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Securities, or is not presently a partner, Director (except as an Independent Director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by Bursa Securities;

(g) has not engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities, or is not presently a partner, Director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities; or

(h) has not served as an Independent Director in any one or more of the said Corporation for a cumulative period of more than twelve (12) years from the date of his/her first appointment as an Independent Director.

(3) The Independent Directors are essential in bringing an element of unbiased oversight and play a critical role in ensuring that all issues proposed by the Executive Directors are carefully considered and examined to take into account the long-term interests of the Company. Where the interests of management and shareholders conflict, the Independent Directors have the responsibility to mediate and arbitrate the situation in the best interest of the Company and its stakeholders.

(4) The Board should undertake an assessment of the Independent Directors annually to assess their ability to bring unbiased and objective judgement to the Board's deliberations.

3.5 Fit and Proper Policy

(1) The Board has established a Fit and Proper Policy for the appointment and re-election of Directors of the Group to ensure that its Directors have the necessary qualities, competencies and integrity to discharge their roles effectively.

(2) In conducting the fit and proper assessment, the Board shall through its NRC consider the following criteria as outlined in the Policy:-

(a) Character and Integrity;
(b) Experience and competence;
(c) Time and commitment; and
(d) Independence (applicable to Independent Directors).

(3) Any candidate who has been identified for appointment as a Director or for re-appointment or re-election as a Director of the Company shall be required to make and submit a Declaration of Fit and Proper Assessment Form as prescribed by the NRC.

(4) The Fit and Proper Policy is made available on the Company's website at https://www.kkmartretail.my.

4. ROLES AND RESPONSIBILITIES

4.1 The Board

(1) The Board has overall responsibility for the long-term success of the Group and delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and leadership functions, the Board assumes the following responsibilities:-

(a) together with management, promotes good and effective corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;

(b) ensures the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;

(c) reviews, challenges and decides on management's proposals for the Group, monitoring their implementation by management and their contribution to the Group;

(d) oversees the execution of the Group's business to ensure it is properly and ethically conducted including supervising and assessing corporate behaviour and performance of the Group as a whole;

(e) understands and identifies principal risks of the Group's business and ensures implementation of appropriate internal controls and mitigation measures to achieve a suitable risk-reward balance to the shareholders;

(f) adopts an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks that appropriately reflects the risk appetite within which the Board expects management to operate;

(g) reviews the framework for risk management and internal control system and ensure the effectiveness of such framework;

(h) ensures that senior management has the necessary skills and experience, and that measures or policies are in place for an orderly succession of the Board and senior management;

(i) ensures there are appropriate policies for training, appointment and performance monitoring of senior management;

(j) developing and implementing an investor relations programme or shareholders' communications policy for the Group to enable effective communication with stakeholders;

(k) reviews financial statements and the Company's annual report and forms a view on the information presented before approving the same;

(l) ensures the integrity of the Company's financial and non-financial reporting; and

(m) undertakes a formal and objective annual evaluation of the Board, Board Committees and each individual Board member to gauge their respective effectiveness.

(2) The Board reserves a formal schedule of matters for the Board's deliberation and approval. This includes, among others, the following matters:-

(a) Strategic issues and planning, including sustainability matters;

(b) Business plans, budget and performance reviews;

(c) Quarterly financial results and audited financial statements;

(d) Dividend policy or declaration of dividends;

(e) Capital expenditures;

(f) Adequacy and integrity of internal control and risk management policies;

(g) Material financing and borrowing activities;

(h) Treasury policies;

(i) Key human resources issues;

(j) Material acquisitions and disposals of assets;

(k) Matters relating to regulatory compliance;

(l) Appointment of Directors, Managing Director or Chief Executive Officer and/or other key responsible persons;

(m) Proposed appointment of external auditors and their audit fees;

(n) Related party transactions ("**RPT**"), recurrent RPT and conflict of interest (including potential conflict of interest), and any other transactions, procedures or course of conduct that raises questions on management integrity and any recommendations relating thereto as set out in the Terms of Reference of the AC;

(o) Undertaking of new investments, divestments, mergers and acquisitions, establishment of subsidiaries, joint ventures and/or new business

ventures and any other corporate exercise which requires the shareholders' approval; and

(p) Limits of authority, whistleblowing policy and anti-bribery and corruption policy.

4.2 Chairperson

(1) The Chairperson is elected by the Board members to provide leadership for the Board and to represent the Board to the shareholders and other stakeholders. The Chairperson will act independently in the best interest of the Group.

(2) The Chairperson is responsible for ensuring Board effectiveness and promoting the highest standards of integrity, probity and corporate governance throughout the Group.

(3) The Chairperson should not be a member of any Board Committees to ensure there is check and balance as well as objective review by the Board.

(4) The responsibilities of the Chairperson include, among others, the following:-

(a) setting the Board agenda for each Board meeting and ensuring that Board members receive complete and accurate information in a timely manner to facilitate decision-making;

(b) ensuring Board Committees' meetings are not combined with the main Board meeting;

(c) leading the Board in adopting and implementing good corporate governance practices in the Group;

(d) leading Board meetings and discussions and acting as facilitator to ensure a meaningful level of engagement among Board members;

(e) encouraging active participation of Directors at Board meetings and allowing dissenting views to be expressed openly;

(f) ensuring all Directors are properly briefed on issues arising at Board meetings in a timely manner;

(g) promoting constructive and respectful relations between Directors and management;

(h) ensuring compliance with all relevant regulations and legislation; and

(i) representing the Board to shareholders and ensuring appropriate measures are in place for effective communication with stakeholders and that their views are communicated to the Board as a whole.

(5) The positions of Chairperson and Managing Director or Chief Executive Officer shall be held by different individuals with distinct and separate roles to ensure there is a balance of power and authority, such that no one individual has unfettered powers of decision making.

4.3 Group Managing Director ("GMD")

(1) The GMD is the highest-ranking executive in the Company whose primary responsibilities include making major corporate decisions, managing the overall operations and resources of the Group, developing the Group's new business plans and investment opportunities in accordance with the strategies and policies approved by the Board, acting as the main point of communication between the Board and corporate operations and being the public face of the Group.

(2) The GMD also assumes the overall responsibilities for the execution of the Group's long-term strategic planning and direction in line with the Board's direction and drives the Group's businesses and performance towards achieving the Group's vision and goals.

(3) The GMD is appointed by the Board upon recommendation from the NRC.

(4) Generally, the GMD is accountable to the Board for, among others, the following:-

(a) managing the day-to-day business operations of the Group;

(b) ensuring that the applicable rules and regulations for the conduct of affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required is met or provided for its efficient operation;

(c) ensuring that the Group has in place adequate risk management and internal controls framework in accordance with the policies and procedures approved by the Board;

(d) ensuring the Group complies with approved financial reporting standards, the Listing Requirements and other applicable laws and regulations;

(e) leading the development of the Group's operations and businesses and recommending short and long term strategies to the Board and executing them upon approval;

(f) implementing the Group's sustainability strategies and initiatives towards achieving its sustainability objectives and ensuring the Group maintains high social responsibility in the conduct of its business;

(g) assessing all business opportunities which are of potential benefit to the Group;

(h) keeping abreast of the competitive market landscape, expansion opportunities and industry developments;

(i) monitoring the performance of the Group against the performance and sustainability targets and reporting its progress to the Board;

(j) bringing material and other relevant information to the attention of the Board in a complete and timely manner;

(k) reporting on the performance and activities of the Group for the period under review, including explanations for significant fluctuations over the period; and where appropriate, to brief the Board in relation to current and future initiatives, risk management issues, challenges faced by the Group, changes to legislation that may affect the Group's operations, litigation matters and other salient events or issues affecting the Group;

(l) reviewing the Group's focus, direction and alignment with the Company's vision and mission; and

(m) representing the Group as the key spokesperson with all stakeholders including investors, regulators and business partners.

4.4 Executive and Non-Executive Directors

(1) Executive Directors are employees of the Company who are involved in the day to day affairs and management of the Group and shall assist the GMD in the effective implementation of the Group's strategic plans and policies established by the Board.

(2) Executive Directors assist the Board in its decision-making process through their technical expertise and knowledge of the business and its industry.

(3) Executive Directors, with the help of management, assist the Board in facilitating the orientation of new Directors and Directors' training and development.

(4) Non-Executive Directors are members of the Board who are not employees of the Company. Non-Executive Directors can be classified as:-

(a) those who have no direct or indirect pecuniary interest in the Company other than their Directors' emoluments and their permitted shareholdings in the Company;

(b) those who are not employees of the Company or affiliated with it in any other way and are not involved in the day to day running of business but may have a pecuniary interest in the Company, whether direct or indirect; or

(c) those who are not employees of the Company but are standing as nominees for substantial shareholders.

(5) Non-Executive Directors need to be sound in judgement and to have an inquiring mind.

(6) Non-Executive Directors should question intelligently, debate constructively, challenge rigorously and decide dispassionately.

(7) Non-Executive Directors may act as a bridge between management, shareholders and other stakeholders. They should provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

(8) The responsibilities of Non-Executive Directors are, among others, as follows:-

(a) advising and directing management in the development and evaluation of strategy;

(b) scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;

(c) satisfying themselves that the financial information presented is accurate; and

(d) reviewing the risk management and internal control systems to ensure that they are robust and defensible.

4.5 Independent Directors

(1) The role of the Independent Directors is to provide unbiased oversight and objectivity without being subordinated to operational considerations, promoting transparency and upholding ethical standards within the Group. They help to improve the performance of a Company by bringing specific expertise from their sector and/or personal experience and providing their objective view of the Company's health and operations.

(2) The roles of an Independent Director, among others, include the following:-

(a) provide objective and independent opinion on issues;

(b) ensure that the interests of the Company, shareholders and stakeholders are taken into consideration and upheld;

(c) monitor the areas of discussion, notably those where potential conflict of interests may arise;

(d) mitigate any potential conflict of interest that may arise in the governance of the Group;

(e) improve corporate credibility and governance standards by functioning as a watchdog and making significant contributions to the Company's decision making by bringing in the quality of detached impartiality;

(f) to make independent assessment of information, reports or statement when the interests of management, Company and/or shareholders diverge, such as executive performance and remuneration, RPTs and other audit matters;

(g) when the interests of management and shareholders are in conflict, to mediate and arbitrate the situation in the best interest of the Company; and

(f) provide a check and balance to the Board.

(3) An Independent Director must immediately disclose to the Board in the event of any change in his/her circumstances that may affect his/her objectivity and/or status as an Independent Director. In such case, the Board must review the Director's designation as an Independent Director.

4.6 Senior Independent Director

(1) The Board may appoint a Senior Independent Director who shall ideally possess leadership qualities, expertise and industry or board experience required for the role.

(2) The role and responsibilities of the Senior Independent Director shall include:-

(a) to act as a sounding board to the Chairperson;

(b) to serve as an intermediary for other Directors when necessary, such as to facilitate confidential discussions with Directors who may have concerns which they believe have not been properly considered by the Board or which they feel may not be appropriate to raise in open forum or with the Chairperson directly;

(c) to act as a point of contact for shareholders and other stakeholders with concerns which have failed to be resolved or would not be appropriate to be communicated through the normal channels of the Chairperson and/or GMD; and

(d) to act as the independent channel for whistleblowers to direct reports or complaints as identified in the Company's Whistleblowing Policy.

4.7 Senior Management

Senior management's role and responsibilities include the following:-

(1) Together with the GMD, formulate the corporate strategy for the Board's approval. Once approved, to implement it diligently;

(2) Manage the day to day operations and affairs of the Company and assume responsibility for the Company's conformance with the relevant laws and regulations and its compliance framework;

(3) Effectively communicating to the employees the strategic plans approved by the Board to ensure that the objectives of the Company and performance targets set by the Board are achieved;

(4) Formulate, implement and update the Group's standard operating policies and procedures;

(5) Keeping abreast of relevant trends in the Group's industries and operating environment;

(6) Drive strategic management of material sustainability objectives;

(7) Setting up adequate and effective risk management and internal controls framework in compliance with policies and procedures approved by the Board; and

(8) Bringing material and other relevant information to the attention of the Board and adequately apprise the Board of accurate, timely and clear information to effectively perform its responsibilities.

5. BOARD COMMITTEES

(1) The Board has established the following Board Committees delegated with different functions to assist the Board in carrying out its duties and responsibilities:

(a) AC;

(b) NRC; and

(c) SRMC.

(2) Membership of the AC and NRC shall comprise solely of Non-Executive Directors, the majority of whom are Independent Non-Executive Directors. The

Chairperson of the Board must not be a member of any of the Board Committee to avoid impairing the objectivity during deliberations.

(3) The Chairperson of each respective Board Committee shall be an Independent Non-Executive Director.

(4) Apart from the above Board Committees, the Board may from time to time establish other Board Committees to assist it in discharging its responsibilities more effectively.

(5) These Board Committees do not make decisions on behalf of the Board. Each Board Committee will have the authority to examine particular issues within its Terms of Reference and make the necessary recommendations to the Board for the Board's consideration and decision making.

(6) The duties and powers delegated to these respective Board Committees are set out in the Terms of Reference of each Board Committee as approved by the Board, which are made available on the Company's website at https://www.kkmartretail.my.

6. BOARD MEETINGS

6.1 Proceedings

The proceedings of Board meetings shall be in accordance with the Constitution.

6.2 Frequency

The Board shall meet at least five (5) times a year. Additional meetings may be convened on an ad hoc basis as and when the Board's approval and guidance are required.

6.3 Notice and Board Papers

(1) Notice of Board meeting, board papers and any other documents are made available at least five (5) business days prior to the Board meeting, or at such shorter notice where it is unavoidable. In addition, members of management are frequently invited to attend Board meetings to explain and clarify the items tabled to the Board.

(2) The Chairperson, together with management and the Company Secretary, shall undertake the primary responsibility for preparing the agenda for Board meetings. The agenda shall include among others, matters specifically reserved for the Board's decision, high-priority strategic issues and where required, operational issues.

(3) Management is responsible for providing the Board with the required information in an appropriate and timely manner. Each Director is expected to,

prior to attending the meetings, review all materials provided by the Company relating to matters to be considered at the meetings.

6.4 Quorum

The quorum necessary for the transaction of the business of Directors shall be two (2).

6.5 Chairperson's Role in Meeting

(1) The Chairperson encourages a participative Board where the Directors are allowed to freely express their views or share information with their peers and have constructive and healthy debates in the course of deliberation.

(2) In the absence of the Chairperson, the members present shall elect a Chairperson from among themselves to chair the meeting.

6.6 Report from Board Committee

(1) The Chairperson of the AC, NRC and SRMC would report to the Directors at Board meetings of any salient matters noted by the respective Board Committees as well as matters that would require the Board's notice, action, direction or approval.

(2) Board Committee meetings shall not be combined with the main Board meeting to enable objective and independent discussion during the meetings.

6.7 Attendance

(1) The Board must disclose the number of Board meetings held in a year and details of attendance of each individual Director in respect of the Board meetings held.

(2) All Directors must meet the minimum 50% attendance requirement imposed by the Listing Requirements.

(3) Senior management who are not Directors and external advisers may be invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda item, as and when the need arises.

(4) Where there are Executive Directors on the Board, the Non-Executive Directors are encouraged to meet among themselves at least annually to discuss, among others, strategic, governance and operational issues.

6.8 Directors' Written Resolution

(1) In the event any matters requiring the Board's decision arise between Board meetings, such matters shall be resolved through written resolutions which shall be supported by relevant papers setting out details of the subject matter.

(2) Such written resolutions signed or approved by a majority of the Directors entitled to vote and sign on the resolution, if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Directors shall be as valid and effectual as if it were a resolution duly passed at a Board meeting.

(3) Such resolutions may consist of several documents in like form, each signed by one (1) or more Board members.

6.9 Voting

(1) All resolutions of the Board shall be adopted by a simple majority vote, each member having one (1) vote.

(2) In the case of equality of votes, where two (2) Directors form a quorum, the Chairperson of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, shall not have the casting vote. Otherwise, in the case of an equality of votes, the Chairperson shall have the casting vote.

(3) Directors are required to inform the Board of conflicts or potential conflicts of interest that they may have in relation to a particular subject matter or business transaction. These Directors shall abstain from deliberation and voting on those matters.

6.10 Minutes

(1) The minutes shall record the proceedings of the meeting, pertinent issues, inquiries or responses, members' suggestions and the decisions made, including any Director who has abstained from voting or deliberating on a particular matter, as well as the rationale behind those decisions.

(2) Minutes of meeting shall be circulated to all members of the Board in a timely manner. Such minutes having been signed by the Chairperson of the meeting at which the proceedings were held, or by the Chairperson of the next succeeding meeting, shall be sufficient evidence of such proceedings.

(3) The minutes of proceedings and resolutions of meetings of the Directors and any written resolutions passed by Directors shall be kept at the Registered Office, or at other office authorised by the Board, as soon as practicable after the meeting is held or the resolution passed and shall be made available for inspection by any Directors during office hours.

7. BOARD EVALUATION AND PERFORMANCE

7.1 The NRC evaluates the effectiveness and performance of the Board as a whole, the Board Committees and the individual Directors on an annual basis. The evaluation process may be facilitated by the Company Secretary or independent experts through questionnaires and/or interviews covering a variety of assessment criteria.

7.2 The criteria on which the assessment is based was developed, maintained and reviewed by the NRC. The assessment criteria include the mix of skills, experience, competency, time commitment, character, integrity, independence, ability to constructively challenge and contribute to the development of strategy, diversity and other qualities required to meet the needs of the Group and to comply with the provisions of the Listing Requirements. The NRC, upon discussion and evaluation of the assessment results, will present the findings to the Board.

7.3 Board Committees shall also be regularly reviewed by the Board to ascertain their performance and effectiveness.

8. REMUNERATION OF DIRECTOR

8.1 The performance of Directors is measured by the Directors' contribution and commitment to both the Board and the Company.

8.2 The fees and any benefits payable to the Directors shall be subject to annual shareholders' approval at the AGM of the Company. Directors who are shareholders, and controlling shareholders with a nominee or connected Director on the Board, should also abstain from voting on the resolution to approve Directors' fees at the AGM.

8.3 The Directors shall be paid all traveling, hotel and other reasonable expenses, properly and reasonably incurred by them in the execution of their duties including any such expenses incurred in connection with attending and returning from meetings of Directors or Board Committees or any other meetings of the Company in connection with the business of the Company in the course of the performance of their duties as Directors.

8.4 The Company shall provide a fair, reasonable and competitive remuneration for its Executive Directors to attract and retain high calibre Executive Directors who have the skills, experience and knowledge to increase the Company's value for the benefit of all shareholders.

8.5 Fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to Executive Directors may not include a commission on or percentage of profits or turnover.

8.6 The Board has established a formal and transparent process for approving the remuneration of Directors. The NRC is responsible for reviewing the remuneration policy and making recommendations on the same to the Board for approval, with the Directors concerned abstaining from participating in the discussion of his/her individual

remuneration. In its review, the NRC shall consider various factors such as fiduciary duties, time commitment expected of the individual Director and the Company's performance.

8.7 The Board discloses the individual Directors' remuneration on a named basis in the Annual Report of the Company.

9. INDUCTION AND TRAINING FOR BOARD MEMBERS

9.1 The Directors are required to attend such training programmes as may be prescribed by Bursa Securities such as the Mandatory Accreditation Programme.

9.2 All Directors are also required to complete the Mandatory Accreditation Programme in relation to sustainability and the related roles of a Director.

9.3 The Board with the assistance of the NRC, shall assess the training needs of the Directors from time to time, and ensure that Directors have access to training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as continuing education programme in order to update their knowledge and skills to sustain their active participation in Board deliberations and effectively discharge their duties.

10. ACCESS TO INFORMATON

All Directors shall have unrestricted access to management, to any information pertaining to the Group, including access to the advice and services of the Company's auditors, consultants and Company Secretary, which is relevant to the furtherance of their duties and responsibilities as Directors of the Company at the expense of the Company.

11. INDEPENDENT PROFESSIONAL ADVICE

11.1 In discharging the Directors' duties, each Board member shall in accordance with a procedure to be determined by the Board, be entitled to obtain independent professional advice at the expense of the Company. This is for advice deemed relevant and necessary in order for the Directors to discharge their duties for the overall benefit of the Company.

11.2 In such circumstances, the Director shall first discuss it with the Chairperson and provide the request to seek professional independent advice for the Board's consideration and approval. It must be noted that such a restriction is not applicable to the Executive Director who is acting in his/her capacity to fulfil his/her executive responsibilities and within his/her delegate powers.

12. COMPANY SECRETARY

12.1 The Company Secretary shall be a person who is qualified pursuant to Section 235 of the Act.

12.2 The Board shall be supported by a suitably qualified and competent Company Secretary who plays an important role to provide sound governance advice, ensure adherence to rules and procedures, and advocate the adoption of corporate governance best practices.

12.3 The responsibilities of the Company Secretary are, among others, the following:-

(1) ensuring that Board procedures are followed during meetings;

(2) managing the meeting logistics of all Board and Board Committee attending and recording minutes of all Board and Board Committee meetings;

(3) advising the Board on its roles and responsibilities;

(4) together with the Company, facilitating the orientation of new Directors and assist in Director training and development;

(5) advising the Board on corporate disclosures and compliance with company law, securities regulations and Listing Requirements;

(6) managing procedures pertaining to AGM and any general meeting;

(7) serve as a focal point for stakeholders' communication and engagement on corporate governance issues; and

(8) monitoring corporate governance developments and assisting the Board in adopting good corporate governance and sustainable environmental, social and governance practices to meet the Board's needs and stakeholders' expectations.

13. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

13.1 The Board recognises and values the importance of an effective and clear communication with its shareholders, potential investors and the public. It is fully committed to adopt the highest standard of transparency and accountability in the disclosure of pertinent information relating to the Group as disclosed on the Company's website at https://www.kkmartretail.my.

For this purpose, the Company has implemented among others, the following:-

(1) timely release of announcements to Bursa Securities such as quarterly financial results, material contracts awarded and any other material information that may affect investors' investment decision;

(2) conducts regular dialogues with financial analysts as a means of effective communication for the Board and management to convey information relating to the Group's performance, corporate strategy and other matters affecting shareholders' interests;

(3) active engagement with shareholders at the AGM to ensure a high level of accountability and discussion of the Company's strategies and objectives. The Company shall invite the external auditors to attend the AGM and be available to answer shareholders' questions concerning the conduct of the audit and the preparation of the auditor's report; and

(4) shareholders can access information about the Company, its investor relation activities and media releases through the Company's website at https://www.kkmartretail.my.

13.2 The Board will focus its efforts on the following best practices to enhance the effectiveness of its general meetings ("**GM**"):-

(1) Ensure that notice of the AGM and Annual Report are issued and dispatched to its shareholders at least twenty-eight (28) days before the date of meeting;

(2) All Directors are to attend the GM;

(3) The Chairperson of the AC, NRC and SRMC to provide meaningful responses to questions addressed to them;

(4) Ensure that each item of special business included in the notice of AGM is accompanied by a full explanation of the effects of the proposed resolution;

(5) Ensure the Chairperson provides reasonable time for discussion at the GM;

(6) Support meaningful engagement between the Board, senior management and shareholders at GM. The engagement should be interactive and include robust discussion on salient topics such as the Company's financial and non-financial performance as well as the Company's long-term strategies. Shareholders should also be provided with ample opportunity to pose questions during the GM and all the questions should receive a meaningful response;

(7) Ensure the resolutions set out in the notice of GM are voted by poll;

(8) Leverage on technology to facilitate voting (including voting in absentia) and remote shareholders' participation at GM; and

(9) Ensure that minutes of the GM be circulated to shareholders or uploaded onto the Company's website at https://www.kkmartretail.my not later than thirty (30) business days after the GM.

14. CONFLICT OF INTEREST

A Director shall at all times avoid conflict of interest situations and shall as soon as practicable after the relevant facts have come to his/her knowledge, declare the nature and extent of his/her interest at a meeting of the Directors of the Company and shall abstain from deliberation and voting on those matters. Every Director shall give notice to the Company of such events and matters relating to him/her as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act.

15. CONFIDENTIALITY AND DISCLOSURES OF INTEREST

15.1 The Directors are required to act in the best interest of the Company. The Directors also have a duty of confidentiality in relation to the Company's confidential information.

15.2 All information and documentation received by the Board from the Company shall be treated as highly confidential, unless otherwise expressed by the Board. All Board members are responsible for ensuring that any material received is properly protected and remains confidential. If any information is to be provided to third parties, this shall be decided by the GMD.

15.3 A Director should disclose to the Board:-

(1) any material personal interest he/she has in a matter which relates to the affairs of the Company; and

(2) any other interest (direct or indirect) which the Director believes is appropriate to disclose so as to avoid any conflict of interest or the perception of a conflict of interest.

The disclosure should be made as soon as practicable after the Directors become aware of his/her interest. Details of the disclosure must be recorded in the minutes of the meeting at which the disclosure is made or the meeting held following the disclosure and the Directors concerned shall abstain from deliberation and voting on those matters.

16. DEALINGS IN SECURITIES

16.1 A Director must not deal in the Company's securities when he/she is in possession of price sensitive information.

16.2 All Directors must also comply with the disclosure requirements prescribed under Chapter 14 of the Listing Requirements prior to any dealings in the Company's securities.

17. WHISTLEBLOWING POLICY

17.1 The Board is committed to the highest possible standards of ethical, moral, and legal conduct. To achieve this purpose, the Board has established the Whistleblowing Policy & Guidelines to support good management practices and sound corporate governance practices within the Group.

17.2 The objective of the Whistleblowing Policy is to:-

(1) Establish a formal mechanism for employees, contractors, and stakeholders to report concerns, suspected misconduct, improper misconducts, unethical behavior, wrongdoing or illegal activity, committed or about to be committed;

(2) Protect the integrity, transparency, and reputation of the Group;
(3) Ensure early detection and prevention of any illegality, improper conduct and/or wrongdoing in the Group;

(4) Provide clear guidance on reporting, investigation, and resolution of concerns and improper conduct while safeguarding the rights and confidentiality of whistleblowers; and

(5) Promote a speak-up culture, empowering employees, contractors, and stakeholders to act ethically without fear of retaliation.

17.3 The Whistleblowing Policy is made available for reference on the Company's website at https://www.kkmartretail.my.

18. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

18.1 The Anti-Bribery and Anti-Corruption Policy is to conduct all of the Group's business in an honest and ethical manner. The Group takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all the business dealings and relationships wherever the Group operates as well as implementing and enforcing effective systems to counter and prevent bribery.

18.2 The Anti-Bribery and Anti-Corruption Policy sets out the Group's responsibilities in observing and upholding the position on bribery and related anti-corruption efforts.

18.3 The Anti-Bribery and Anti-Corruption Policy applies to all individuals working at the Group at all levels and grades. All staff members are reminded to comply and observe the spirit and intention behind the requirements set out in the policy and the relevant applicable laws underlying the policy.

18.4 The Anti-Bribery and Anti-Corruption Policy is made available for reference in the Company's website at https://www.kkmartretail.my.

19. CODE OF CONDUCT AND ETHICS

19.1 The Code of Conduct and Ethics of the Company sets forth the values, expectations and standards of business conduct and ethics to guide the Board of Directors, management, employees, and personnel of the Group.

19.2 The Group is committed to promote and maintain the highest levels of governance, integrity, accountability and transparency in the conduct of its business activities, dealings, relationships and operations.

19.3 The Code of Conduct & Ethics is made available for reference on the Company's website at https://www.kkmartretail.my.

20. REVIEW OF THE BOARD CHARTER

20.1 This Board Charter shall be periodically reviewed and updated by the Board as and when necessary, taking into consideration the needs of the Group as well as any development in the rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities.

20.2 This Board Charter was reviewed and approved by the Board on 8 June 2026 and is made available for reference on the Company's website at https://www.kkmartretail.my.

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