KK MART RETAIL BERHAD
[Registration No.: 202301037992 (1531914-U)]

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

1. MEMBERSHIP

1.1 Members of the Nomination and Remuneration Committee of KK MART RETAIL BERHAD ("**Company**") ("**Committee**") shall be appointed by the Board of Directors of the Company ("**Board**") from among its Directors and shall comprise at least three (3) members, all of whom must be Non-Executive Directors, and a majority of whom must be Independent Non-Executive Directors.

1.2 The Chairperson of the Board must not be a member of the Committee.

1.3 No alternate Director shall be appointed as a member of the Committee.

1.4 All members of the Committee, including its Chairperson, will hold office only so long as they serve as Directors of the Company. Should any member of the Committee cease to be a Director of the Company, his/her membership in the Committee will cease forthwith.

1.5 Where the members of the Committee for any reason are reduced to less than three (3), the Board shall, based on the recommendation of the Committee, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of three (3) member.

2. CHAIRPERSON

2.1 The Chairperson of the Committee shall be an Independent Non-Executive Director or the Senior Independent Non-Executive Director.

2.2 In the absence of the Chairperson of the Committee, the other members of the Committee shall amongst themselves elect a Chairperson who must be an Independent Non-Executive Director to chair the meeting.

2.3 The Chairperson of the Committee shall:-

(a) lead the succession planning and appointment of Board members, and oversee the development of a diverse pipeline for the Board and senior management succession, including possible candidates for future Chairperson, Executive Directors and Group Managing Director/Chief Executive Officer;

(b) lead the annual review of Board effectiveness and ensure that the performance of each individual Director is independently assessed;

(c) ensure that all members are enabled and encouraged to play their full role as Committee member and making certain that all members receive timely, relevant information tailored to their needs and that they are properly briefed on issues arising at the Committee meetings; and

(d) report on material issues, which have been deliberated at the Committee meetings, to the Board.

3. SECRETARY

The Company Secretary or such substitute as appointed by the Directors from time to time shall be the Secretary of the Committee.

4. QUORUM AND MEETING PROCEDURES

4.1 The Committee shall meet at least once a year or as and when the Committee deems necessary to fulfil its responsibilities.

4.2 The Chairperson of the Committee or the Secretary, on the requisition of any Committee member, shall at any time summon a Committee meeting.

4.3 The Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables all persons to participate for the entire duration of the meeting. The technology to be used for the purpose of the meeting must be such that all persons taking part in the meeting must be able to communicate simultaneously with each of the other persons taking part in the meeting and may include telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.

4.4 A virtual meeting shall be deemed to constitute a Committee meeting provided the following conditions are met:-

(a) all the Committee members for the time being entitled to receive notice of the Committee meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted by the Constitution of the Company; and

(b) A Committee member may not leave a virtual meeting by disconnecting from the technology used unless he has previously expressly notified the Chairperson of the meeting of his intention to leave the meeting and a Committee member shall be conclusively presumed to have been present and have always formed part of the quorum during such a meeting until such notified time of him leaving the meeting. However, no business is to be transacted at any meeting unless a quorum of members is present at the time when the meeting proceeds to business.

4.5 The main venue of the meeting shall be the place where the Chairperson or the Chairperson of the meeting is present.

4.6 The quorum for the meeting shall be two (2) members, who are Independent Non-Executive Directors. No business shall be transacted at any Committee meeting unless a quorum is present.

4.7 The Company Secretary, in consultation with the Chairperson of the Committee, shall draw up the agenda of the Committee meeting. The agenda, together with the relevant support papers, shall be circulated at least five (5) business days, or at such shorter notice where it is unavoidable, prior to each meeting, to the members of the Committee.

4.8 The Committee may, as and when deemed necessary, invite any Board members or any member of management or consultants, who the Committee thinks fit, to attend its meetings to assist and provide pertinent information as necessary.

4.9 A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairperson shall be entitled to a second or casting vote. Nonetheless, at meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairperson of the Committee will not have the casting vote.

4.10 A member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall abstain from deliberating and voting.

5. MINUTES

5.1 The Company shall cause minutes of all proceedings of the Committee meeting to be entered in books for that purpose. The minutes of each meeting shall be signed by the Chairperson of the meeting at which proceedings were held or by the Chairperson of the next succeeding meeting. Such minutes shall be reviewed by the Committee before disseminating them to the Board.

5.2 The minutes shall be kept by the Company at the Registered Office and shall be open for inspection by any Committee member or Board member.

5.3 The minutes of each Committee meeting shall be distributed to the Board members for notation.

6. WRITTEN RESOLUTION

6.1 A resolution in writing signed by all Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.

6.2 The resolution may consist of several documents in like form, each signed by one (1) or more Committee members. Such document may be accepted as sufficiently signed by a Committee member if it is transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature of the said Committee member.

7. REPORTING

The Committee, through its Chairperson, shall report a summary of significant matters to the Board at the next Board meeting after each Committee meeting. When presenting any recommendations to the Board for approval, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

8. AUTHORITY

The Committee shall in accordance with a procedure to be determined by the Board and at the expense of the Company:-

(a) have the resources which are required to perform its duties;

(b) investigate any activities within its Terms of Reference or as directed by the Board;

(c) have full and unrestricted access to all information and documents within the Company and its subsidiaries ("**Group**") which are required to perform its duties;

(d) obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, including to utilise independent sources to identify suitably qualified candidates for members of the Board and senior management of the Group, if necessary; and

(e) seek input from management on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

9. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee are as follows:-

A. Nomination

New Appointment

(1) Identify, consider and recommend to the Board suitable candidates for appointment as Directors to fill Board vacancies or to strengthen the Board's composition as and when required. The Committee shall not solely rely on recommendations from existing Board members, management or major shareholders, but will also utilise independent sources to identify suitably qualified candidates. In making the recommendations, the Committee shall:-

(a) Conduct the fit and proper assessment;

(b) Assess the candidates' skills, knowledge, expertise, experience, professionalism, commitment, integrity, character and competence;

(c) Consider board diversity including age and gender; and

(d) In the case of candidates for the position of Independent Non-Executive Director, the Committee should also evaluate the candidate's ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

(2) If the selection of candidates was solely based on recommendations made by existing Board, management or major shareholders, the Committee should explain why other sources were not used.

(3) Recommend to the Board the appointment of members of each Board Committee.

(4) To assist the Board to assess and evaluate circumstances where a Director's involvement outside the Group may give rise to a potential conflict of interest with the Group's business, upon receiving the declaration (of such conflict) from a Director and thereafter, to inform the Audit Committee ("**AC**") of the same.

(5) To discuss and deliberate with the AC and to recommend to the Board on any required actions to be taken in the event there is a conflict of interest.

Size of Board

(6) Consider and recommend to the Board for approval, the appropriate composition and size of the Board and Board Committees to facilitate effective decision making after taking into consideration the scope and nature of the operations of the Group.

(7) To determine the criteria for membership on the Board, which may include, among other criteria, issues of character, judgment, independence, diversity, age, expertise, corporate experience, length of service and other commitments.

(8) Facilitate achievement of Board gender diversity policies and targets.

Re-election, Re-appointment and Resignation/Termination

(9) Develop and implement the Fit and Proper Policy for the appointment and re-election of Directors of the Group that addresses the board quality and integrity.

(10) Review and recommend to the Board the re-election of Directors who retire by rotation pursuant to the Company's Constitution and the re-appointment of Directors who retire pursuant to the relevant sections of the Companies Act 2016 ("**Act**"), subject to the conduct of the fit and proper assessment.

(11) Where there is an Independent Director whose term will exceed/has exceeded the nine-year tenure, the Committee shall justify the recommendation to retain the Independent Director after the ninth year to the Board for consideration before seeking annual shareholders' approval through a two-tier voting process.

(12) Deliberate on matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the law and the service contract.

Annual Performance Assessment of the Board, Board Committees and Individual Directors

(13) Develop and review the performance criteria to evaluate the performance of the Board, Board Committees and individual Directors.

(14) Assess annually the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director as well as the Group Managing Director/Chief Executive Officer having regard to the time commitment, character, experience, integrity, the required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and thereafter, recommend its findings to the Board. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented and disclosed in the Annual Report.

(15) Review annually the performance of the Board and senior management in addressing the Company's material sustainability risks and opportunities.

(16) Review the tenure of each Director annually and ensure that the annual re-election of a Director is based on satisfactory evaluation of the Director's performance and contribution to the Board, and the Director has submitted the Fit and Proper Declaration Form.

(17) Review and assess the independence of Independent Directors annually.

(18) Review the term of office and performance of the AC and each of its members annually to determine whether the AC and its members have carried out their duties in accordance with their Terms of Reference.

(19) Review the term of office and performance of the SRMC and each of its members annually to determine whether the SRMC and its members have carried out their duties in accordance with their Terms of Reference.

(20) To conduct periodic review of the involvements of the Group Managing Director and Executive Directors in the companies outside of the Group, in which they have executive functions to ensure that it does not affect their role and responsibilities within the Group.

(21) Review and recommend to the Board, the development and implementation of the relevant policies and procedures on nomination related matters concerning the Group.

Training

(22) Facilitate Board induction programme for newly appointed Directors.

(23) Identify suitable educational and training programmes for continuous development of Directors to ensure the Directors keep abreast with development in the industry, regulatory changes and board business trends.

Succession Planning

(24) Review Board and senior management succession plans and overseeing the development of a diverse pipeline for Board and senior management succession, taking into account the challenges and opportunities faced by the Group.

Others

(25) Consider and examine such matters as the Committee considers appropriate.

(26) Carry out such other duties or functions as may be delegated by the Board from time to time or as required by the regulatory authority.

B. Remuneration

(1) To establish a formal and transparent remuneration policies and procedures which should be sufficient to attract, retain and motivate Directors and key management team of calibre needed to run the Group successfully. Executive Directors are to abstain from deliberations and voting on the decision in respect

of their own remuneration package. 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 general meeting.

(2) Review the Group's policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors and senior management and recommend to the Board for approval.

(3) In determining the remuneration packages of Directors and senior management, the Committee should take into consideration the following:-

(a) technical competency, skills, expertise and experience;

(b) qualification and professionalism;

(c) integrity;

(d) roles and responsibilities;

(e) the Company's performance in managing material sustainability risks and opportunities; and

(f) aligned with the business and risks strategies, and long-term objectives of the Group.

(4) Review remuneration packages of Directors and senior management, having regard to the Group's operating results, individual performance and comparable market statistics and recommend to the Board for approval.

(5) Review compensation policy of Directors and senior management and ensure the remuneration offered is in line with market practice.

(6) Ensure fees and benefits payable to Directors, and any compensation for loss of employment of Executive Directors are approved by shareholders at General Meetings.

(7) Review and recommend to the Board, the remuneration packages of Non-Executive Directors for shareholders' approval at the General Meeting in accordance with the Act and ensure that remuneration and incentives for Independent Directors should not conflict with their obligation in bringing objectivity and independent judgement on matters discussed and remain appropriate to each Director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken.

(8) To consider other remuneration or rewards to retain, motivate and attract Directors.

(9) Oversee any major changes in employee remuneration and benefit structures throughout the Group.

(10) Recommend to the Board any performance related pay schemes for the Company or Group.

(11) Recommend to the Board on the appointment of experts or consultants, where necessary to fulfil its responsibilities.

(12) Provide clarification to shareholders during General Meetings on matters pertaining to remuneration of Directors and senior management as well as the overall remuneration framework of the Company.

(13) To carry out other responsibilities, functions or assignments as may be agreed by the Board from time to time.

10. REVIEW OF THE TERMS OF REFERENCE

10.1 This Terms of Reference shall be periodically reviewed and updated taking into consideration the needs of the Company as well as any development in the rules and regulations that may have an impact on the discharge of the Committee's responsibilities.

10.2 The Terms of Reference may be revised or amended from time to time, as and when required to meet good corporate governance practices. Any amendments to the Terms of Reference are to be reviewed and approved by the Board.

10.3 This Terms of Reference 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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