

PEKAT GROUP BERHAD
[Registration No. 201901011563 (1320891-U)]
(Incorporated in Malaysia)
("PEKAT" or "the Company")

**TERMS OF REFERENCE OF THE
NOMINATION AND REMUNERATION COMMITTEE**

1.0 OBJECTIVES

The principal objective of the Nomination and Remuneration Committee ("NRC") is to assist the Board of Directors ("Board") in identifying, nominating and screening suitable candidates for Board appointments, as well as ensuring an appropriate structure for management succession and development, including an effective process for director selection and tenure, and to review and recommend to the Board the remuneration and other benefits for the Directors and Key Senior Management of the Company, ensuring alignment with the Company's strategic objectives and long-term business growth. The NRC shall also assess, on an ongoing basis, the effectiveness and contribution of the Board as a whole, the Board Committees, individual Directors and Senior Management of the Company.

2.0 COMPOSITION

The NRC shall be appointed by the Board from among its members and shall consist of not fewer than three (3) members. All NRC members must be non-executive directors, with a majority of them being independent directors.

If a member of the NRC ceases to be a member resulting in the number of members is reduced below three (3), the Board shall within three (3) months of the event, appoint such number of new member(s) as may be required to fill the vacancy.

No alternate director of the Board shall be appointed as a member of the NRC.

3.0 CHAIRMAN

The members of the NRC shall elect a Chairman from amongst their members who shall be an Independent Director or the Senior Independent Director.

4.0 SECRETARY(IES)

The Secretary(ies) of the NRC shall be the Company Secretary(ies) of the Company.

The Secretary(ies) shall be responsible for drawing up the agenda and circulating it prior to each meeting and keeping the minutes of meetings of the NRC.

5.0 MEETINGS

The NRC shall meet at least once a year and as when deemed necessary for the performance of its objectives. The NRC may invite any person to be in attendance at the meeting to assist in its deliberations.

Notice calling for a meeting of the NRC shall be given to all its members at least five (5) calendar days before the meeting or at shorter notice as the Committee shall determine.

The Chairman of the NRC shall chair the NRC meetings. In the absence of the Chairman of the NRC, members present shall elect a chairman for the meeting from amongst the Independent Directors.

Matters at any meeting shall be decided by a majority vote of the members present, each member having one (1) vote. In the event of equality of votes, the Chairman of the NRC shall have a second or casting vote. However, at meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairman of the NRC will not have the second or casting vote.

A member of NRC may participate in a meeting of NRC by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

6.0 MINUTES

Minutes of each meeting shall be kept at the registered office and distributed to each member of the NRC and also to the other members of the Board.

The NRC Chairman shall report on the proceedings of each meeting to the Board. The minutes of the NRC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

7.0 QUORUM

The quorum shall consist of at least two (2) members, the majority of whom must be independent directors.

8.0 Circular Resolution

A resolution in writing signed by a majority of the NRC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the NRC duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more

NRC members. Any such document may be accepted as sufficiently signed by an NRC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of an NRC member.

9.0 REPORTING

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

10.0 AUTHORITY

The Company must ensure that wherever necessary and reasonable for the performance of its duties, the NRC shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:

- (a) be able to use a variety of approaches and sources to ensure that it is able to identify the most suitable candidates for Board position. This may include sourcing from a directors' registry and open advertisements or the use of independent search firms;
- (b) annually review the required mix of skills and experience and other qualities, including core competencies that Non-Executive and Executive Directors should have;
- (c) assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board, and the contribution of each individual Director;
- (d) review and recommend relevant Board succession plans;
- (e) review, assess and recommend to the Board the remuneration packages of the Directors, with other independent professional advice or outside advice as it may deem necessary;
- (f) select, engage and obtain, at the expense of the Company, professional advice, if needed, to enable the NRC to carry out its duties;
- (g) have full and unrestricted access to information pertaining to the Company and its subsidiaries and associated companies, if any; and
- (h) be entitled to the services of a Company Secretary who must ensure that all appointments are properly made, and that all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Listing Requirements of the Bursa Malaysia Securities Berhad or other regulatory requirements.

11.0 ROLES AND RESPONSIBILITIES

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

11.1 With regard to nomination matters

- (a) To develop, maintain and review the criteria and processes for the recruitment, selection, appointment and annual assessment of Directors, including the required mix of skills, knowledge, experience, independence, diversity, professionalism and integrity;
- (b) To review the size, composition and balance of the Board and Board Committees, and make recommendations to the Board, including the appointment of members to Board Committees;
- (c) In identifying suitable candidates, consider the use of external advisers or open advertising, and evaluate candidates based on merit, competencies, commitment, contribution and performance, as well as their ability to discharge their responsibilities effectively, including, in the case of Independent Directors, their independence;
- (d) To source, identify, review and recommend candidates for appointment to the Board and Board Committees, which is led by the Chairman of the NRC, taking into consideration the optimum and effective size of the Board and the candidates:
 - character, competency, knowledge and experience;
 - professionalism;
 - integrity and credibility;
 - time commitment, particularly his number of other directorships; and
 - in the case of the candidates for the position of Independent Non-Executive Directors, the NRC would also evaluate the candidates' ability to discharge such responsibilities or functions as expected from Independent Non-Executive Directors.
- (e) To conduct a fit and proper assessment of any person identified to be appointed as a Director or to continue holding the position as a Director within the Company prior to the initial recruitment or appointment (including proposed re-election or re-appointment) as a Director;
- (f) To assess and evaluate the effectiveness of the Board as a whole, Board Committees and individual Directors on an ongoing basis, and ensure that all such assessments are properly documented;
- (g) To assess the independence of Independent Directors annually and as and when circumstances warrant;

- (h) To review the term of office and performance of the Audit Committee and other Board Committees and their members annually to ensure that they have carried out their duties in accordance with their respective terms of reference;
- (i) To review and assess the training needs of Directors, ensure Directors have access to continuing education programmes to enable them to effectively discharge their duties;
- (j) To consider and oversee succession planning for Directors and key senior management, taking into account the future needs of the Company;
- (k) To review any potential conflict of interest arising from Directors' external commitments and, where appropriate, make recommendations to the Board after consultation with the Audit Committee;
- (l) To review the structure and effectiveness of Board Committees, including recommending the establishment, modification or dissolution of committees; and
- (m) To consider such other matters as may be directed by the Board or as the NRC deems appropriate.

11.2 With regard to remuneration matters

- (a) To review and assess the remuneration packages for the Directors in all forms, drawing advice from experts, if necessary. The remuneration packages shall be determined on the basis of the Directors' merit, qualification and competences, while having regard to the Group's operating results, individual performance and comparable market statistics, which are aligned with the business strategy and long-term objectives of the Group. In addition, the performance of the Group in managing material sustainability risks and opportunities should also be considered.
- (b) To establish and recommend to the Board, the remuneration package for Executive Directors such as the terms of employment or contract of employment/service, benefit, pension, incentive scheme, bonuses, fees, expenses, compensation payable on termination of the service contract by the Company and/or the Group;
- (c) To review and recommend to the Board the remuneration and allowances of Non-Executive Directors for Board and shareholders' approval; and
- (d) To ensure that the Company maintains remuneration and incentive policies and practices that are competitive, equitable and aligned with the long-term interests of the Company, with the objective of attracting, motivating and retaining qualified Directors and key senior management within the Company

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and its subsidiaries.

Whilst discharging the above duties, Directors should abstain from discussion of their own remuneration.

12.0 REVIEW OF NRC

Review its own performance and terms of reference at least once a year or as and when required in compliance with the regulations to ensure that the NRC is operating at maximum effectiveness and recommend any change it considers necessary to the Board for approval.

History

Event	Effective Date
Establishment	17 September 2022
Revision of the Terms of Reference following the merger of functions between the Nominating Committee and Remuneration Committee	21 May 2026