

PARADIGM REIT MANAGEMENT SDN BHD
(formerly known as WCT REIT MANAGEMENT SDN BHD)
(the Manager of Paradigm REIT)

Terms of Reference of Remuneration and Nomination Committee (“RNC”)

- **Composition and Size**

The members of the RNC shall be appointed by the Board of Directors (“**Board**”) of Paradigm REIT Management Sdn Bhd (the “**Manager**”), the management company of Paradigm Real Estate Investment Trust (“**Paradigm REIT**”) from amongst the members of the Board. The RNC shall fulfil the following requirements:-

- (a) the RNC shall consist of not fewer than three (3) members. All of the RNC members must be non-executive directors, a majority of whom are independent;
- (b) the Chairman of the RNC must be an independent director. The Chairman of the Board shall not be the Chairman of the RNC;
- (c) the composition of the RNC, including members’ tenure, performance and effectiveness as well as their accountability and responsibilities, shall be assessed annually via the annual board performance assessment; and
- (d) the Company Secretary of the Manager shall act as the Secretary of the RNC.

- **Authority**

The RNC is authorised by the Board:-

- (a) To undertake the duties and responsibilities stipulated in this Terms of Reference, which includes the nomination and succession planning for the Board and key senior management, assessment of the Board and Board committees, as well as the review of remuneration for the Board and key senior management; and
- (b) To obtain independent legal or professional advice as and when it considers necessary.

- **Responsibilities**

- **Remuneration Matters:-**

- (a) To recommend to the Board for approval the adoption of remuneration framework for the Board and key senior management. The remuneration packages and benefits granted under the remuneration framework should be aligned with the business strategy and long-term objectives of the Manager and/or Paradigm REIT.
- (b) To review the performance of and recommend to the Board the annual total remuneration packages of executive directors and key senior management.
- (c) To assess and ensure that the remuneration of the executive directors and key senior management is determined according to individual performance including the management of material sustainability risks and opportunities, the Manager’s operating performance and comparable market statistics information.

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- (d) To review and recommend the remuneration packages of non-executive directors to the Board and to ensure the remuneration packages are aligned with business strategy and also reflect the responsibilities of the Board.
- (e) To introduce any policy or guidelines which would enable the smooth administration and effective discharge of the RNC's duties and responsibilities.
- (f) To review and make recommendations on any other matters related to remuneration as may be referred by the Board from time to time.

➤ **Nomination Matters:-**

- (a) To determine the core competencies and skills required by directors to best serve the business and operations of the Manager as a whole.
- (b) To assess and recommend to the Board candidates for appointment to the Board and Board committees. The RNC shall consider candidates proposed by the management, substantial Unitholder, Board members or independent sources. In making its recommendations, the RNC shall evaluate candidates based on the fit and proper criteria set out in the "Fit and Proper Policy" of the Manager and also any other criteria which the RNC deems necessary from time to time including but not limited to factors such as the skills, knowledge, expertise, experience, competence, character, integrity, time commitment and independence of the candidates in line with the Manager's policy, diversity in gender, age, culture and socio-economic background and number of directorships. In the case of candidates for the position of independent non-executive director, the RNC shall ensure that the requirements for independent director stipulated under the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts are complied with. The RNC shall also ensure that the directors appointed are able to devote the required time to serve the Board effectively and consider the existing Board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Manager should be avoided.
- (c) To recommend to the Board on the change in the composition of the committees of the Board.
- (d) To review the Board structure, size and composition as and when necessary having regard to the nature of the Manager's operations and the core competencies that directors should bring to the Board. This includes the review of the mix of skills, experience, diversity and other qualities of directors including core competencies which directors should bring to the Board.
- (e) To assess on an annual basis, the independence of independent directors especially in the case of retaining an independent director who continues to serve on the Board as an independent director for a cumulative term of nine (9) years and to make the recommendation to the Board on the retention of the independent director, if required. The tenure of an independent directors shall not exceed a term limit of nine (9) years. Upon completion of nine (9) years, an independent director may continue serving on the Board as a non-independent director.

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- (f) To perform annual performance assessment on the effectiveness of the Board as a whole, including the performance and contribution of each individual director. An external independent professional consultant shall be engaged at least once every three (3) years and/or whenever the RNC deemed necessary, to facilitate an objective and candid board evaluation.
- (g) To introduce such regulations, guidelines, policies and/or procedures to function effectively and fulfill the RNC's objectives.
- (h) To review and determine the training needs of directors and orientation needs of new directors and to recommend relevant training programs.
- (i) To review the succession plans for directors and key senior management to ensure that an appropriate balance of skills and experience for Paradigm REIT's business is maintained.
- (j) Periodically review the Fit and Proper Policy and making any changes as and when the RNC deemed fit, and recommend any such changes to the Board for consideration and approval.
- (k) To identify and recommend to the Board for its approval, candidates for key senior management.
- (l) Such other duties or functions as may be delegated by the Board or required by regulatory authorities.

• *Meetings*

- (a) The quorum for the RNC meeting shall be at least two (2) members, who must be independent directors.
- (b) The RNC shall meet at least once a year. Additional meetings may be convened as required.
- (c) Notice of each RNC meeting confirming the venue, time and date, together with the agenda of items to be discussed, shall be forwarded to each member of RNC and any other person required to attend, no later than five (5) business days (unless in unavoidable circumstances, notice of the RNC meeting may be shortened or waived provided all the RNC members so agree in writing) prior to the date set for meetings to enable RNC members and other attendees to review the information and to obtain such details and explanations where necessary.
- (d) Minutes shall be kept of the proceedings and the resolutions passed during the RNC meetings. The Chairman of the RNC shall report to the Board on any salient matters discussed during the RNC meetings and which requires the Board's notice, direction and approval. Minutes of each RNC meeting shall be tabled at the Board meeting for the directors' review and notation.

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- (e) The RNC meetings may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means. Such participation in a meeting shall constitute presence in person at such meeting.
- (f) The minutes of RNC meeting signed by the Chairman of the RNC shall be conclusive evidence of any meeting conducted as aforesaid.

• Resolutions in writing

A resolution in writing signed or approved by letter, facsimile or electronic communication by a simple majority of RNC members shall be effective for all purposes as if it were a resolution passed at a RNC meeting duly convened, held and constituted. Any such resolution may consist of a single document or several documents all in like form each signed by one or more RNC members. All such resolutions shall be recorded by the Secretary of the RNC in the minutes book.

• Review

This Terms of Reference shall be subjected to periodic review to ensure that it remains relevant and updated in line with applicable laws, regulations and corporate governance best practices. Any amendment to this Terms of Reference must be approved by the Board.

This RNC Terms of Reference was reviewed and approved by the Board on 27 March 2025.