



**99 SPEED MART RETAIL
HOLDINGS BERHAD**

[Registration No. 202301017784 (1511706-T)]
Incorporated in Malaysia

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

99 SPEED MART RETAIL HOLDINGS BERHAD

[Registration No. 202301017784 (1511706-T)]

- Terms of Reference for Nomination and Remuneration Committee

REVISION HISTORY

Revision Code	Revision Description	Effective Date
00	New Terms of Reference was approved and adopted	15 February 2024

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TERMS OF REFERENCE FOR NOMINATION AND REMUNERATION COMMITTEE

1. OBJECTIVES

The Nomination and Remuneration Committee (“**NRC**” or the “**Committee**”) of 99 Speed Mart Retail Holdings Berhad (formerly known as 99 Speed Mart Holdings Sdn. Bhd.) (the “**Company**”) was formed by the Board of Directors of the Company (the “**Board**”). Its primary function is to assist the Board in the following areas:

- Propose new nominees for the Board of the Company and/or its subsidiaries (the “**Group**”) – The actual decision as to who shall be appointed shall be the responsibility of the full Board after considering the recommendations of the Committee;
- Assess the effectiveness of Directors of the Company on an ongoing basis;
- Review the effectiveness of the Chief Executive Officer (“**CEO**”) and other Senior Management of the Company;
- Assess the size and composition of the Board;
- Ensure the policy and criteria to conduct periodic evaluation for effectiveness of the Board and Board Committees (i.e. collectively the Audit Committee, Risk Management Committee and NRC) as well as individual directors through robust processes and procedures taking into consideration the needs of the Board such as mix of skills, independence, experience, industry knowledge and diversity (including gender diversity);
- Review the corporate governance principles of the Group; and
- Assess and recommend to the Board the remuneration package of the Executive Directors, Non-Executive Directors and Senior Management of the Group to attract, retain and motivate Directors and Senior Management to drive long term objectives of the Group.

2. STRUCTURE AND COMPOSITION

- The members of the Committee shall be appointed by the Board from amongst its Directors and shall comprise of at least (3) members exclusively of Non-Executive Directors, a majority of whom are independent. In the event of any vacancy in the NRC, the vacancy shall be fulfilled within three (3) months.
- The Chairman of the Board should not be the member or the Chairman of the Committee. The Chairman of the Committee (“**NRC Chairman**”) shall be an Independent Director or Senior Independent Director appointed by the Board.
- The members will be appointed by the Board and will remain members until there is a change.

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- The appointment of the NRC member would be terminated when the member ceases to be a Director, or as determined by the Board.
- No alternate Director shall be appointed as a member of the NRC.

3. ATTENDANCE

- Only members of the Committee have the right to attend the NRC meetings. However, the CEO, Chief Financial Officer (“**CFO**”), head of human resources, members of management, consultant and external advisers may be invited to attend meetings of the NRC to attend for all or part of any meeting, as and when appropriate and necessary.
- The NRC Chairman, or the NRC members with the approval from the NRC Chairman, may invite any person or persons to attend the NRC meetings when appropriate and necessary, but not necessarily for the full duration of the meeting.

4. QUORUM

- The quorum for all meetings of the NRC shall consist of at least two (2) members. In the absence of a quorum, the meeting shall be adjourned to such other date and at such other time and venue as the NRC may determine.
- In the absence of the NRC Chairman, the remaining members present shall elect one of themselves to chair the meeting from those who is an Independent Director.
- A duly convened meeting of the NRC at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretions vested by the NRC.

5. MEETINGS OF THE NOMINATION AND REMUNERATION COMMITTEE

- The NRC may meet together for the despatch of business, to adjourn or otherwise regulate their meetings, at least once a year or more frequently as deemed necessary by the NRC Chairman. The NRC Chairman may call for additional meetings at any time at the NRC Chairman’s discretion.
- Attendance at all meetings of NRC may be in person or by way of participation via video conference, or teleconference or other means of audio-visual communications as may be agreed by the members, and such participation in a meeting shall constitute presence in person at such meeting and shall be entitled to vote or be counted in a quorum accordingly.
- Unless the NRC meeting is called on a short notice basis, the notice of the NRC meeting should be given in writing at least five (5) business days prior to the meeting and a set of well-prepared agenda paper drawn up by the Company Secretary in conjunction with the NRC Chairman for the NRC meeting shall be sent to all members of the NRC and any other persons

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who may be required to attend the meeting at least five (5) business days prior to the meeting or such other period as deemed appropriate by the Committee.

- A member of the NRC shall excuse himself/herself from the meeting during discussions, deliberations and voting of any matter which may give rise to an actual or perceived conflict of interest situation for the member and this action shall be duly recorded in the minutes of such meeting. Where this results in an insufficient quorum, the NRC has the right to appoint another director(s) which meets the membership criteria.
- The Company Secretary or his/her representative or other appropriate senior officer shall also be in attendance at each NRC meeting and be responsible for keeping the minutes of meetings of the NRC and circulating them to the Committee members and the other members of the Board.
- Each member of the NRC is entitled to one (1) vote in deciding the matters deliberated in the meeting. All resolutions of the NRC shall be adopted by a majority vote. In the event of an equality of votes, the NRC Chairman shall be entitled to a second or casting vote. However, the NRC Chairman will not have a second casting vote where only two (2) Directors form the quorum or at which only two (2) Directors are competent to vote on the question at issue.
- The Committee will conduct all its meetings separately from Board meetings.

6. SECRETARY

The Company Secretary or other appropriate senior official shall act as the secretary of the Committee and shall be responsible, in conjunction with the NRC Chairman, for drawing up the agenda and circulating it within a reasonable period prior to the meeting supported by explanatory documentation to committee members prior to each meeting.

7. AUTHORITY

The NRC shall, whenever necessary and reasonable for the Company to perform its duties, in accordance with a procedure to be determined by the Board and at the cost of the Company:-

- (a) have explicit authority to investigate any matter within its Terms of Reference;
- (b) have full and unrestricted access to any information and records pertaining to the Group as well as personnel of the Group;
- (c) to seek any information, it requires from any employee of the Company in order to perform its duties;
- (d) to obtain inside or outside legal or other independent professional advice on any matters within its Terms of Reference, as deemed necessary to assist the Committee or any individual member of the Committee in the proper discharge of its roles, responsibilities and duties, at the expense of the Company;
- (e) to call any employee to be questioned at a meeting of the NRC as and when required;

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- (f) be able to convene meetings excluding the attendance of other Directors and employees of the Company, whenever deemed necessary; and
- (g) shall have the discretion to decide who else other than its own members to attend meetings, if it thinks fit.

8. DUTIES AND RESPONSIBILITIES

In fulfilling its primary objectives, the NRC shall undertake the following duties and responsibilities:-

Appointment(s)

8.1 having evaluated the balance of skills, knowledge and experience on the Board, and hence defined the role and capabilities required for a particular appointment, be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.

8.1.1 The Committee does not solely rely on recommendations from the CEO, management, directors or shareholders. The Committee shall also utilise independent services to identify suitably qualified candidates, as and when it considers necessary. In making its recommendations, the Committee shall assess and consider the following attributes or factors of each candidate:-

- a) merit and against objective criteria with due regard for the benefits of boardroom diversity including gender, age and ethnicity, experience, cultural background, skills, character, integrity and competence;
- b) commitment (including time commitment) to effectively discharge his/her role as a Director (including, amongst others, attendance at Board or Committee meetings, major company events, briefings or site visitations, participation in continuing training programmes; after consideration of the candidate's directorships in other listed and non-listed companies and corporations incorporated within and outside Malaysia and other commitments or positions and the time commitment involved);
- c) any business interests that may result in a conflict of interest that may arise within the Company or the Group;
- d) contribution and performance;
- e) background, character, integrity, skills, knowledge, expertise and competence;
- f) professionalism;
- g) in the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors; and

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- h) in considering the candidate's independence, it is necessary to focus not only on the candidate's background and current activities qualifying him or her as independent but also whether the Director can act independently.
- 8.2 make recommendations to the Board for the appointment of the Chairman of the Board and Board Committees, CEO and Senior Independent Director, including an assessment of the time commitment expected and recognising the need for availability in the event of crises;
- 8.3 review, facilitate and define orientation and induction plans for new directors with respect to the business, structure and management of the Group;
- 8.4 develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. The nomination and the election process as well as the fit and proper criteria used in the selection process and the assessment undertaken in respect of its Board, committees and individual Director should be disclosed in the Annual Report. If the selection of candidates was solely based on recommendations made by the existing board members, management or major shareholders, the Committee should explain why other sources were not used;
- 8.5 recommend to the Board, Directors to fill the seats on Board Committees;

Training and Development

- 8.6 assess the training needs of each Director, review the fulfilment of such training, and disclose details in the Annual Report as appropriate;

Succession Planning

- 8.7 review and recommend to the Board the succession plan and policy of the Chairman of the Board, the executive and non-executive Directors, CEO and the Senior Management; taking into consideration the succession planning in the course of its work, the challenges and opportunities facing the Company as well as the skills and expertise needed on the Board and by the Company in future;

Annual Performance Assessment

- 8.8 review annually the structure, size and composition of the Board (including required mix of skills, knowledge, diversity of the Board, experience and core competencies which Non-Executive Directors should bring to the Board) and ensuring that the composition is refreshed periodically. This activity shall be disclosed in the Annual Report of the Company;
- 8.9 assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director including his time commitment, character, experience and integrity vide a formal and objective assessment;

the annual assessment of fitness and properness of each individual Director should also take into consideration the following factors:-

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- (i) will and ability to critically challenge and ask the right questions;
- (ii) character and integrity in dealing with potential conflict of interest situations;
- (iii) commitment to serve the Company, due diligence and integrity;
- (iv) confidence to stand up for a point of view;
- (v) compatibility within the overall composition of the Board to match the profile and activities of the Company;
- (vi) will to act or continuity in acting as a Director of the Company after being made aware of his/her responsibilities as a Director;
- (vii) will to be familiar with the Company's business activities and its operating environment;
- (viii) ability to attend board meetings, either physically or virtually, based on the form of participation required of the Director;
- (ix) the multiple directorships of the Director do not result in a conflict of interest with the Company, put the Director in a position where commercially sensitive information could be misused against the Company or cause the Director to be unable to provide the required time commitment to the Company; and
- (x) is a director or shareholder of an entity in countries that are classified as high risk under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.

all assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented. The Committee may engage a professional, experienced and independent party to facilitate the Board evaluation and ensure the Board is assessed holistically. When an independent third party is used to carry out Board evaluation, the Board should also disclose the identity of the third party;

- 8.10 assess annually the effectiveness and performance of the CEO, CFO and Executive Directors;
- 8.11 consider and recommend any policy regarding the period of service of Non-Executive Directors, tenure of the Independent Non-Executive Directors and assess annually the independence of its independent directors;
 - (i) this activity shall be disclosed in the Annual Report of the Company and in any notice of a general meeting for the appointment and re-appointment of Independent Directors.
 - (ii) the tenure of an Independent Director should not exceed a cumulative term of nine (9) years.

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- 8.12 review the term of office and performance of the Audit Committee and Risk Management Committee, and each of its member annually to determine whether they have carried out their duties in accordance with their terms of reference;
- 8.13 consider the size and balance of the Board with a view to determine the impact of the number upon the Board's effectiveness and recommend it to the Board;
- 8.14 recommend to the Board the Company's gender, ethnicity or age diversity policies, targets and discuss measures to be taken to meet those targets (if any);
- 8.15 recommend to the Board protocol for accepting new directorships;
- 8.16 consider and recommend the Directors for re-election/re-appointment at each Annual General Meeting ("**AGM**") with reasons in support of such recommendation;

Remuneration

- 8.17 review and recommend to the Board for approval, the remuneration policies and procedures and entire individual remuneration packages for each of the Executive Directors, Non-Executive Directors and Senior Management to ensure the levels of remuneration be sufficiently attractive and be able to retain high calibre Directors to run the Company successfully;

the determination of remuneration packages of Executive Directors and Non-Executive Directors, should be a matter for the Board as a whole where the individual concerned shall abstain from discussion of their own remuneration;

- 8.18 assist the Board in developing and administering a fair and transparent procedure for setting the policy on remuneration of Directors and Senior Management;
- 8.19 ensure that the remuneration packages are determined on the basis of the Directors' and Senior Management's merit, qualification and competence, having regard to the Company's long term strategic goals, sustainability risks and opportunities, operating results, individual performance and comparable market statistics;

the remuneration of the Board shall be aligned with the business strategy and long-term objectives of the Company, and to reflect the Board's responsibilities, expertise and complexity of the Company's activities;

- 8.20 consider and review Executive Directors' scope of service contracts, if any;
- 8.21 review and recommend to the Board and thereafter the shareholders at the AGM, the fees of the directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of the Company. Directors who are shareholders and controlling shareholders with a nominee or connected director on the Board should abstain from voting at general meetings on the resolution to approve directors' fees;

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- 8.22 review the performance of the Executive Directors and Senior Management against the key performance indicators and recommend to the Board specific adjustments in remuneration and/or reward payments if any, reflecting their contributions for the year;
- 8.23 review any major changes in remuneration policy and employee benefits structures throughout the Company or Group, and if thought fit, recommend them to the Board for adoption;

Others

- 8.24 consider all other related matters and undertake any other responsibilities, functions or assignments as may be requested by the Board from time to time;
- 8.25 in exercising objectivity in the assessment process, the NRC members should not be influenced by major controlling shareholders or the CEO or Executive Directors; and
- 8.26 each NRC member should abstain from discussion or voting on any resolutions in respect of the assessment of his/her performance or re-nomination as Director.

9. PROCEDURES FOR APPOINTMENT OF DIRECTORS

The Board follows formal and transparent procedures when appointing directors as follows:-

- 9.1 The Committee shall prepare descriptions of the director and the characteristics the Board is looking for in a new appointment.
- 9.2 The Committee will seek professional advice from independent search firms as and when it considers necessary to identify a short-list of suitable candidates and a list of nominations for candidates proposed by the CEO, and within the bounds of practicability, by any other senior executive, director or shareholder for considerations.

The Company should disclose in its Annual Report how candidates for Non-Executive Director positions were sourced including whether such candidates were recommended by the existing board members, management or major shareholders.

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

- 9.3 The Committee will then have to review the profile of Board candidates and make a decision in recommending of the Board candidate for the appointment to the Board.
- 9.4 Based on the recommendation of the NRC and upon review of the profile of Board candidate, the Board will then decide on the best candidate by ballot or majority decision and the approval via Board meeting or Board resolution in writing will be passed to appoint the candidate following the conduct of fit

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and proper assessment on the proposed Director within the scope of Fit and Proper Policy of the Company.

- 9.5 The written consent of the nominees to act if elected shall be secured following his/her self-assessment of fitness and propriety.

The Committee shall regulate its own procedures to be followed in the discharge of its duties and responsibilities as set out in section 8 above. The regulation and implementation of such procedures shall, as far as circumstances permit be in keeping with the principles and requirement of the latest Malaysian Code On Corporate Governance as issued by the Securities Commission Malaysia (“**MCCG**”) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**MMLR**”) and/or relevant governing statutes, regulations and guidelines relating to NRC, as amended, modified and/or varied from time to time.

10. SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT

The Committee shall:

- 10.1 keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 10.2 give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in future;
- 10.3 make recommendations to the Board concerning the succession plans for Executive Directors and in particular for the CEO and Senior Management (if any);
- 10.4 make recommendations to the Board concerning the re-appointment of any non-executive director at the conclusion of his or her specified term of office (if any) and re-election of any director under the retirement by rotation provisions in the Company’s Constitution; and
- 10.5 deliberate and make any necessary recommendations to the Board concerning the continuation in office, suspension or termination of service of any director (subject, in the case of Company employees to the provisions of their service contracts, if any) due to appropriate reasons in accordance with the relevant laws and regulations.

11. DISCLOSURES

- 11.1 The Committee shall produce a report to be included in the Company’s Annual Report about its activities in discharge of its duties for the financial year:-
 - The composition of the NRC including the name, designation (indicating the NRC Chairman) and directorship of the members (indicating whether the Directors are independent or otherwise);

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- The number of NRC meetings held during the financial year and the details of attendance of its members;
- The application of the Company's fit and proper policy in the nomination; and
- The election process of the Board members and disclosure on how candidates for board position were sourced including whether it utilised external advice, directors' registry or open advertising for this purpose.

11.2 The NRC Report shall include all the prescribed information as stated under paragraph 15.08(3) and paragraph 15.08A(3) of the MMLR:-

i. Statement on training attended by the Board incorporating the following information:-

- assessment by the Board on the training needs of each Director;
- brief description on the type of training that the directors have attended for the financial year; and
- in exceptional circumstances where any Director has not attended any training during the financial year, valid justifications for the non-attendance of such director.

ii. Statement on activities of the Committee in the discharge of its duties containing the following information:-

- review pursuant to paragraph 2.20A of the MMLR that each of its Directors, CEO, or CFO has the character, experience, integrity, competence and time to effectively discharge his role as a Director, CEO or CFO;
- the policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the listed issuer;
- the board nomination and election process of directors; and
- the assessment undertaken by the Committee in respect of the Board, Board Committees and individual Directors together with the criteria used for such.

11.3 The Board will table separate resolutions on the approval of the fees of each non-executive director at the AGM.

12. REPORTING RESPONSIBILITIES

The NRC Chairman shall report to the Board on its proceedings after each meeting on all matters with its duties and responsibilities. The Committee shall make whatever recommendation to the Board it deems appropriate or any area within its remit where action or improvement is needed.

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13. ANNUAL GENERAL MEETING

The NRC Chairman should attend the AGM to answer any shareholders' questions on the Committee's activities.

14. MINUTES

The minutes of the meetings of the NRC shall be circulated to all members of the NRC and the Board. The minutes shall be properly kept under the custody of the Company Secretary and shall be open for inspection by the Board. Any request by management or other persons to inspect the minutes shall be subject to the approval of the NRC.

15. RESOLUTION IN WRITING

The NRC may deal with matters by way of reports and resolutions in lieu of convening a formal meeting. A resolution in writing, signed, approved or assented by letter, electronic mail, telegram, telex, telefax or other electronic means/communication by majority of the NRC members entitled to receive notice of a meeting of the NRC, shall be as valid and effectual as if it had been passed at a meeting of the NRC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one (1) or more of the members of the NRC as may be transmitted to the Company by any technology purporting to include a signature and/or electronic or digital signature of the members of the Committee.

16. REVISION AND UPDATES

The NRC Terms of Reference shall be assessed, reviewed and updated regularly to ensure it remains consistent with the NRC's objectives and responsibilities or as and when there are changes to the MMLR, MCCG or any other regulatory requirements that may have an effect on the NRC's responsibilities.

Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party, shall first be presented to the Board for its approval.

Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

The Terms of Reference of the NRC shall be made available on the Company's website.

17. APPROVAL

The Terms of Reference is approved and adopted by the Board of the Company on 15 February 2024.