



# **99 SPEED MART RETAIL HOLDINGS BERHAD**

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

## **TERMS OF REFERENCE FOR RISK MANAGEMENT COMMITTEE**

<b>REVISION HISTORY</b>
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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 RISK MANAGEMENT COMMITTEE**

### **1. OBJECTIVES**

The Risk Management Committee (“**RMC**” or “**the Committee**”) of 99 Speed Mart Retail Holdings Berhad (formerly known as 99 Speed Mart Holdings Sdn. Bhd.) (“**Company**”) was formed by the Board of Directors (“**Board**”) of the Company. Its primary function is to assist the Board in establishing a sound framework to manage risks, which includes:-

- (a) Reviewing the risk management philosophy/policy of the Company and its subsidiaries (“**Group**”).
- (b) Reviewing the extent to which management has established an effective Enterprise Risk Management (“**ERM**”) framework which includes sustainability matters.
- (c) Overseeing the Group’s risk management framework in addition to assessing the resources as well as the knowledge of management and staff involved in these risk management processes.
- (d) Reviewing the Group’s risk profile and risk appetite/tolerance.
- (e) Creating risk awareness at the Board level and to ensure the tone from the top management on risk and compliance culture is cascaded to the rest of the organisation.
- (f) Review and communicate to the Board, critical risks (present or potential) including Environmental, Social and Governance (“**ESG**”) risks the Group faces, their changes, and management’s action plans to manage and mitigate the risks identified from time to time.
- (g) Reviewing and monitoring the integration of ESG risks into the Group’s risk management framework.
- (h) Applying the principles and best practices recommendations of corporate governance, sustainability and corporate responsibility and to ensure compliance with applicable regulatory and legal requirements.
- (i) Fulfilling the Board’s corporate governance, risk management and statutory responsibilities in order to effectively manage the overall risk exposure of the Group.

Significant risk issues evaluated by the RMC and/or major changes proposed by the Committee will be discussed at the Board meetings. The RMC is supported by the Risk Management Team.

### **2. STRUCTURE AND COMPOSITION**

- (a) The Board shall elect the RMC members amongst themselves, comprising a majority of Independent Directors and at least three (3) members in total. In this respect, the Board adopts the definition of “independent directors” under the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

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- (b) The appointment of a Committee member terminates when the member ceases to be a Director, or as determined by the Board. At least one (1) member of the Committee shall be an Independent Director sitting on the Audit Committee.
- (c) The Chairman of the RMC ("**RMC Chairman**") shall be appointed by the Board and shall be an Independent Non-Executive Director. The Chairman of the Board shall not be the RMC Chairman. In the absence of the RMC Chairman, the members present shall elect a Chairman for the meeting amongst themselves.
- (d) The Committee members may relinquish their membership in the RMC with prior written notice to the Board. In the event of any vacancies arising in the RMC resulting in the number of Committee members falling below three (3), the Board shall within three (3) months of the event appoint such number of new members as may be required to fill the vacancy.
- (e) The RMC members shall and collectively:
  - have sufficient understanding and knowledge of the Group's business and industry which the Group operates; and
  - have the ability to understand key business and financial risks and related controls and control processes.

### 3. MEETINGS

- (a) The Committee members shall meet at least four (4) times a year. More meetings shall be scheduled as considered necessary by the RMC Chairman. The presence of two (2) members constitutes a quorum for a meeting of the Committee. In the absence of a quorum, the meeting shall be adjourned to such other date and at such other time and venue as the RMC may determine.
- (b) A member of the RMC shall excuse himself/herself from the meeting during discussion or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for the member. Where this cause insufficient directors to make up a quorum, the RMC has the right to appoint another director(s) which meets the membership criteria.
- (c) Attendance at all meetings of RMC 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.
- (d) Only the Committee members have the right to attend the meeting. However, other individuals such as the Chief Executive Officer, Chief Financial Officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary. The Head Risk Management Team will usually attend the meeting.
- (e) Unless the meeting is called on a short notice basis, the Company Secretary or his/her representative or other appropriate senior officer shall act as the secretary of the Committee, be in attendance at each RMC meeting and shall be responsible, together with the RMC Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the Committee members prior to each meeting.

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- (f) The Company Secretary or his/her representative or other appropriate senior officer shall also attend each Committee meeting and be responsible for keeping the minutes of the meetings as well as circulating them to the Committee members including the members of the Board.
- (g) The notice of the RMC meeting should be given in writing at least five (5) business days prior to the meeting and a well-prepared agenda paper for the RMC meeting shall be sent to all members of the RMC and any other persons 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.
- (h) Matters for decisions which arise at the Committee meeting will be decided by a majority vote. If the votes are equal, the Chairman of the meeting has a second casting vote. However, the 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.
- (i) A RMC member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.
- (j) The Committee will conduct all its meetings separately from Board meetings.

#### **4. AUTHORITY**

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

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company and Group;
- (d) be able to obtain external or other independent professional advice or other advice, at the expense of the Company and assistance to enable it to discharge its duties, as it considers appropriate; and
- (e) have direct communication channels with advisor(s) (if so appointed) and person(s) carrying out the risk management function or activity (if any) and with the management of the Group.

The RMC Chairman shall engage on a continuous basis with senior management, such as the Chairman of the Board, the Chief Executive Officer, Head of Risk Management Team, the internal auditors and the external auditors in order to be kept informed of matters affecting the Group.

#### **5. DUTIES, RESPONSIBILITIES AND FUNCTION**

In fulfilling its primary objectives, the RMC shall be guided by Guidelines for Directors of Listed Issuers for the Statement on Risk Management and Internal Control issued by Bursa Securities in undertaking its responsibilities and duties including the following scope of concerns:

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### Risk Management Matters

- (a) Assess, review, monitor and communicate to the Board the risks identified faced by the Group.
- (b) Review the adequacy and effectiveness of risk management of the Group.
- (c) Establish and periodically review the Group's risk management guidelines and policies and ensure implementation of the objectives outlined in the policies and compliance with them.
- (d) Review and recommend for the Board's approval of the Group's risk management policies, strategies, Group risk profile and risk tolerance, and any proposed changes thereto.
- (e) Review the risk profile of the Group to ensure integration of ESG risks, and the Risk Management team's plans to mitigate risks as identified from time to time.
- (f) Evaluate the effectiveness of the Group's risk management structure, risk management processes and support system to identify, assess, monitor and manage the Group's key risks.
- (g) Review and recommend the corrective measures to be undertaken to remedy failings and/or weakness.
- (h) Review and assess the adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risk and the extent to which those are operating effectively.
- (i) Ensure adequate infrastructure, resources and systems are in place for risk management and that the risk management processes for the identification, measurement and analysis reporting and mitigation of risks are in place within the Group and are operating in an efficient and effective manner.
- (j) Review periodic reports from the management on monitoring of risk exposure, risk portfolio composition and risk management activities to ensure these are aligned with risk strategy and objectives.
- (k) Review and recommend new policies or changes to policies, and to consider their risk implications including the procedures in place by management to prevent and detect fraud such as cyber fraud.
- (l) Review the impact of risk on capital adequacy and profitability under normal and stressed scenarios.
- (m) Approve risk methodologies for measuring and managing risks arising from the Group's business and operational activities.
- (n) Review and evaluate the various processes, methodology and systems engaged by the Company and to ensure that they are conducted within the standards and policies as set by the Board.
- (o) Provide reporting on the updates on key risk management issues to the Board.
- (p) Review and recommend the Statement on Risk Management which form part of the Statement of Risk Management and Internal Control for inclusion in the Annual Report.

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### Sustainability Matters

- (a) Overseeing the management of principal business risks and significant/material ESG risks.
- (b) Ensuring resources and processes are in place to enable the Company to achieve its sustainability commitments and targets.
- (c) Review the performance evaluations of the Board and senior management in addressing the Company's material sustainability risks and opportunities.
- (d) Ensuring appropriate action is taken to ensure that Company understands the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.
- (e) Reviewing disclosures statements relating to management of sustainability matters of the Company in Annual Report.

### Strategic Planning and Others

- (a) Review and provide guidance to the Group's strategic plan as proposed by management vis-à-vis the Group's ERM.
- (b) Review business continuity management including emergency plans and crisis readiness. Review incidents within the scope of the RMC and assess the remedial actions.
- (c) Perform any other work that it is required or empowered to do by statutory legislation or guidelines as prepared by the relevant government authorities.
- (d) Undertake any other responsibilities as authorised by the Board.

## **6. DISCLOSURES**

The Committee shall produce a report to be included in the Company's Annual Report about its activities in the discharge of its duties:

- The composition of the Committee, including the name, designation (indicating the RMC Chairman) and the directorship of members (indicating whether the Directors are independent or otherwise);
- The number of Committee meetings held during the financial year and details of attendance of each member; and
- A summary of the work of the Committee in discharge of its functions and duties for that financial year of the listed issuer and how it has met its responsibilities.



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### **7. REPORTING RESPONSIBILITIES**

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

### **8. ANNUAL GENERAL MEETING**

The RMC Chairman should attend the Annual General Meeting of the Company to answer any questions raised by the shareholders relating to the RMC's activities.

### **9. MINUTES**

The minutes of the meetings of the RMC shall be circulated to all members of the RMC 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 RMC.

### **10. RESOLUTION IN WRITING**

The RMC 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 RMC members entitled to receive notice of a meeting of the RMC, shall be as valid and effectual as if it had been passed at a meeting of the RMC 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 RMC 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.

### **11. REVISION AND UPDATES**

The RMC Terms of Reference shall be assessed, reviewed and updated regularly to ensure it remains consistent with the RMC's objectives and responsibilities or as and when there are changes to the MMLR of Bursa Securities, Malaysian Code On Corporate Governance as issued by the Securities Commission Malaysia or any other regulatory requirements that may have an effect on the RMC'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 RMC shall be made available on the Company's website.

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**12. APPROVAL**

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