

99 SPEED MART RETAIL HOLDINGS BERHAD
FIT AND PROPER POLICY



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

FIT AND PROPER POLICY

Version #1

Effective Date : 3 January 2025

1. INTRODUCTION

99 Speed Mart Retail Holdings Berhad (“99 Holdings” or “the Company”) and its subsidiaries (collectively known as “the Group”) are committed in meeting its obligation in complying with Paragraph 15.01A of the Main Market Listing Requirements (“MMLR”) that a listed issuer must have a Fit and Proper policy for the appointment and re-election of directors of the listed issuers.

The purpose of this Policy is to set out the Group’s approach to the assessment of fitness and propriety of Responsible Persons to ensure they have the character, experience, integrity, competence, and commitment of time to effectively discharge their roles and responsibilities which includes diligence, honesty and judgement to perform properly the duties of that position, in tandem with good corporate governance practices.

2. DEFINITION

2.1 “Responsible Persons” refers to the existing Directors or candidates for nomination or appointment or re-election as Director of the Group, as the case may be.

2.2 “Board” refers to Board of Directors of 99 Speed Mart Retail Holdings Berhad.

2.3 “NRC” refers to Nomination and Remuneration Committee.

3. POLICY STATEMENT

With a view of achieve sustainable development, the Group is committed to the highest standard of integrity, openness, and accountability in the conduct of its businesses and operations. This Policy is intended to address the governance of the quality and integrity of the Responsible Persons.

4. RESPONSIBILITY

4.1 The Board’s Commitment and Responsibility

In the application of this Policy, the Board and the NRC are primarily responsible for ensuring that all Key Responsible Persons fulfil the fit and proper requirements and to conduct assessment for fitness and propriety of all Key Responsible Persons. The Board is committed in ensuring that each Key Responsible Person has the appropriate skills and experience commensurate with the role that they hold and will make all final determinations on the fitness and propriety of Key Responsible Persons.

4.2 The Nomination and Remuneration Committee’s (“NRC”) Responsibility

The NRC is responsible for the following:-

- a. The assessment of existing Directors or candidates for nomination or appointment as a director of the Company and make recommendations to the Board on these matters;
- b. Ensuring that appropriate fit and proper assessments are carried out for each Responsible Person;
- c. Reporting to the Board about any matters that are relevant to a particular assessment of a Responsible Person’s fitness and propriety;

- d. Providing information to the Board on matters concerning the criteria and procedure for fit and proper assessments including addressing any gaps in the assessment; and
- e. Ensuring that the Group takes all reasonable steps to protect the information and documents collected for fit and proper assessments from misuse, unauthorised access, modifications or disclosure.

5. FIT AND PROPRIETY STANDARDS

5.1 Key Responsible Persons

The Company is required to have Key Responsible Persons who have the attributes that enable the Company to properly discharge its duties and responsibilities in a prudent manner under this Policy. These include attributes that relate to character, integrity, experience, competence, diligence, honesty, judgement and relevant technical and financial qualifications, knowledge and skills.

5.2 Fit and Proper Criteria

For the purpose of establishing whether the Key Responsible Persons are fit and proper, the Company shall have regard to the person's:

(a) Character and Integrity – probity, personal integrity, financial integrity and reputation.

(b) Experience and Competence – qualifications, training and skills, relevant experience and expertise, relevant past performance or track record.

(c) Time and Commitment – ability to discharge role having regard to other commitments, participation and contribution in the board or track record.

The assessment to the above criteria shall have regard to the considerations set out below in Clause 5.2.1 to 5.2.3 of this Policy.

5.2.1 Character and Integrity

In assessing the person's character and level of integrity to hold the position as director, the NRC and the Board should consider matters including, but not limited to the following:

Probity

- a. whether the person has complied with legal obligations, regulatory requirements and professional standards, government, or any agencies either in Malaysia or elsewhere and has not been the subject of any legal or disciplinary proceedings either civil or criminal in nature; and
- b. whether the person has at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities resulting in a failure or potential failure to comply with legal, regulatory, and professional requirements and standards, including but not limited to compliance with tax requirements and obligations.

Personal Integrity

- a. whether the person has perpetrated or participated in any business practices which are deceitful, oppressive improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct;
- b. whether the person had been terminated, asked to resign, or has resigned from the employment in the past due to personal integrity; and
- c. whether the person had abuse other positions (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance.

Reputation

- a. whether the person is of good repute in the financial and business community;
- b. whether the person has been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;
- c. whether the person has been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management; and
- d. whether the person is financially healthy, is not an undischarged bankrupt or been a subject of a judgement debt which has not been satisfied in whole or in part and demonstrates the ability to fulfil personal financial obligations as and when they fall due, whether in Malaysia or elsewhere.

5.2.2 Experience and Competence

Experience and competence are demonstrated by a person who possesses the relevant education, knowledge, ability, experience, and competence to understand the technical requirements of the business and the management process required to perform his role as a responsible person in the relevant capacity effectively.

In assessing the person's experience and competence, the NRC and the Board should consider matters including, but not limited to the following:

Qualifications, training and skills

- a. whether the person has the appropriate education qualification, training that is relevant to the skill set that the director is earmarked to bring onto the boardroom (i.e. match the Board skill set matrix);
- b. whether the person has satisfactory past performance or expertise and or had experience in leading or driving governance, business performance or operations with a good past performance track record gathered from board effectiveness evaluation;
- c. whether the person possesses general management skills as well as understanding of corporate governance and sustainability issues;.
- d. whether the person keeps knowledge current based on continuous professional development; and.
- e. whether the person possesses management and leadership capabilities and a high level of emotional intelligence.

Relevant experience and expertise

- a. whether the person possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities.

Relevant past performance or track record

- a. whether the person had a career of occupying a high-level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations or risk management; and
- b. whether the person possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

5.2.3 Time and Commitment

In assessing the person's time and commitment, the NRC and the Board should consider matters including, but not limited to the following:

Ability to discharge role having regard to other commitments

- a. Whether the person is able to devote time as a board member, having factored other outside obligations including concurrent board positions held by the director across listed companies and non-listed entities (including not-for-profit organisations).

Participation and contribution in the Board or track record

- a. demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the Boardroom;
- b. demonstrates willingness to participate actively in Board activities;
- c. manifests passion in the vocation of a Director;
- d. exhibits ability to articulate views independently, objectively, and constructively; and
- e. exhibits open mindedness to the views of others and ability to make considered judgement after hearing the views of others.

6. ASSESSMENT PROCESS

6.1 Assessment Process

The process for assessing the fitness and propriety of the Responsible Persons entails the following steps:

- Identification of skills applicable/required for new candidates;
- Selection of candidates/annual evaluation of existing Directors;
- Fit and Proper assessment by the NRC based on criteria in Clause 5 above;
- Interaction with candidate(s) and between existing Directors;

- NRC's evaluation, deliberation and confirmation that the Responsible Person is fit and proper for purposes of the Board and the Group;
- Recommendation by NRC for the Board's approval; and
- Decision by the Board on the recommended appointment/evaluation of the new or existing Director, as the case may be.

In assessing a person's fitness and propriety, the Board through its NRC, shall consider all relevant factors based on the fit and proper criteria pursuant to Clause 5 above.

6.2 Fit and Proper Criteria and Prudent Judgement

The Company will make its decision based on the provision of information as outlined within this policy. The Company will also make reasonable enquiries to obtain relevant information that can be taken into account in making a fit and proper assessment, in addition to the fit and proper self-declaration form completed by the responsible persons and potential responsible persons.

The information can include a person's formal qualifications and attainments, curriculum vitae, referee reports obtained as part of a recruitment process, and any other publicly available information that is relevant to the fit and proper criteria.

6.3 Failure to be Fit and Proper

Where a person is found to be not fit and proper due to lack of character, diligence, honesty, integrity or judgement, or is found to be misleading or deceptive, the responsible person is required to resign or their appointment is terminated immediately.

6.4 Disclosure of information relevant to a Fit and Proper Assessment

All responsible persons are required to disclose to the Company all information that may be relevant to a fit and proper assessment. The Company will take all reasonable steps to ensure compliance with Personal Data Protection Act 2010 in collecting and using the information about responsible persons collected as part of the assessment process.

Conflict of interest are required to be disclosed by all responsible persons on appointment and ongoing basis, or for directors, being provided with the opportunity to declare any interests at each Board meeting.

7. DOCUMENT RETENTION AND REPORTING

The Company will maintain on file information related to the fit and proper assessment of all current and past Responsible Persons.

8. REVIEW OF THIS POLICY

This policy and review process will be reviewed by the NRC periodically or as and when necessary. Any revision required to the policy shall be recommended to the Board for approval. This Fit and Proper Policy was approved and endorsed by the Board on 3 January 2025.