



NWP HOLDINGS BERHAD

(Company No. 495476-M)

REMUNERATION POLICY AND PROCEDURES FOR DIRECTORS

(Incorporating amendments
as at 25 January 2019)

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REMUNERATION POLICY AND PROCEDURE FOR DIRECTORS

1. Purpose

1.1. This Remuneration Policy and Procedures is the guiding document (“Document”) for the Board, Remuneration Committee (“RC”) of NWP Holdings Berhad (“the Company”) to administer the remuneration of its Directors, taking into account the demands, complexities and performance of the Company and its subsidiaries (“NWP Group”) as well as skills and experience required.

2. Scope and Application

2.1. This Document should be read together with the relevant enumerations encapsulated in the following legislations:

- Companies Act 2016;
- Capital Market and Services Act 2007 (Amendment 2012); and
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

2.2. Where there is a conflict between the contents of this Document and the aforementioned legislations, the relevant enumerations contained in the said legislations shall prevail.

2.3. This Document is also developed in alignment with the Malaysia Code on Corporate Governance (“MCCG”). Where paragraphs in this Document make reference to provisions in legislations or other corporate governance promulgations, they are indicated accordingly in italics.

3. Remuneration Structure

3.1. The table below summarises the main components that shall form the remuneration packages of Directors of NWP Group:

Category	Component	Component Description
Fixed	Fees	A fixed sum shall be provided to Directors for their ongoing contribution to the Board.
Fixed	Meeting Allowance	A payment shall be made to Directors on a per-meeting basis with a condition that attendance (physical or virtual) is a prerequisite for remittance.
Fixed	Base Salary	A monthly payment shall be provided to Executive Directors for performing their day job.
Fixed	Benefits	Benefits may be provided to increase the economic security of Directors and as an incentive to attract and retain talent. Executive Directors may be provided with benefits such as travelling allowance, leave passage, driver, vehicle expenses, utilities benefits, medical benefits and insurance coverage.
Variable	Bonus	A performance based sum (paid via cash, shares or stock options) may be awarded to Executive Directors for attaining or exceeding their assigned key performance indicators.

- 3.2. In addition, expenses (e.g. entertainment and travel expenses) incurred by Directors in discharging their duties relating to the ordinary course of NWP Group's business activities shall be reimbursed upon approval in accordance with the Company's Limits of Authority. All reimbursements must be accompanied with the claimable receipts and shall be submitted to the Company's Finance Department for processing on a timely basis.

4. Remuneration Policy and Procedure

NWP Group is guided by the following principles in remunerating its Directors:

- 4.1. Fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover (*paragraph 7.23 of Listing Requirements*);
- 4.2. Independent Directors generally shall not be remunerated with shares or stock-options. If exceptionally granted, the quantum granted shall not amount to an extent that it would result in the Independent Director becoming a major shareholder (*paragraph 1.01 of Listing Requirements*);
- 4.3. Salaries payable to Executive Directors shall not include a commission on or percentage of turnover (*paragraph 7.23 of Listing Requirements*);
- 4.4. Periodic benchmarking of remuneration will be undertaken to ascertain the competitiveness of NWP Group remuneration packages vis-à-vis other companies. However, such comparisons will be utilized with caution, in view of the risk of upward ratchet in the remuneration levels with no corresponding improvement in corporate and individual performance, and to avoid paying more than is necessary.

5. Governance of Remuneration

- 5.1. Oversight of Remuneration
- 5.1.1. The RC shall assist the Board in implementing its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors (*Practice 6.1 of MCCG*).
- 5.1.2. The RC shall develop and administer fair and transparent procedures for setting policy on remuneration of Directors so as to ensure that remuneration packages are determined on the bases of the Directors' merit, qualification and competence, having regard to the Group's operating results, individual performance and comparable market statistics (*Guidance to Practice 6.2 of MCCG*).
- 5.1.3. The remuneration policy and procedures shall be implemented with input from the control functions and the Audit and Risk Management Committee to ensure that risk exposures and risk outcomes are adequately considered. In considering the remuneration policy and procedures, the RC may also enlist the expertise of external advisors where necessary.
- 5.1.4. Executive Directors do not form part of the composition of the RC (*Guidance to Practice 6.2 of MCCG*). As such, Executive Directors play no part in the deliberation or decision-making of their own remuneration matters but the CEO may attend the RC meetings at the invitation of the Chairman of the RC, if his presence is required.

- 5.1.5. The remuneration of Executive Directors (in relation to the components of salary and bonus) shall be approved by the Board, with the individual Executive Director abstaining from discussion of his/her own remuneration.
- 5.2. Approval of Directors Fees and Benefits Payable
 - 5.2.1. 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 and its subsidiaries shall be approved at the General Meeting (*Section 230(1) of Companies Act and paragraph 7.24 of Listing Requirements*)
 - 5.2.2. Approval of Directors fees and benefits payable may be sought in a prospective or retrospective manner. However, payments of Directors' fees shall only be payable monthly in arrears after each month of completed service of the Directors during the financial year.
- 5.3. Disclosure of Remuneration
 - 5.3.1. Directors' remuneration shall be disclosed on a named and individual basis and by the exact amount, both at Company level and Group level. The remuneration breakdown shall amongst others include fees, salary, bonus and other benefits as the case may be (*paragraph 11, Appendix 9C of Listing Requirements and Practice 7.1 of MCCG*). The disclosure shall also include Directors who were appointed or retired during the year.
- 6. Review of the Policy and Procedures**
 - 6.1. This Policy and Procedures has been endorsed by the Board, upon recommendation by the RC. This policy shall be reviewed periodically or as and when it is necessary.
 - 6.2. The RC, with the support of the Company Secretary, shall ensure that the provisions of this Policy and Procedures continue to comply with the legal requirements and corporate governance requirements and, if necessary, shall suggest amendments to this Policy and Procedures for consideration by the Board.