

# Corporate Governance Overview Statement

The Board of Directors ("**Board**") of NWP Holdings Berhad ("**NWP**" or "**the Company**") recognise the importance of maintaining corporate governance best practices and continues to be committed to ensuring that a high standard of corporate governance is practiced throughout the Company and its subsidiaries ("**the Group**") as a fundamental part of discharging its responsibilities to protect and enhance long-term shareholder value while safeguarding the interests of all stakeholders.

This Statement provides an overview on the application of the principles as set out in the Malaysian Code on Corporate Governance 2021 ("**MCCG**") and the extent to which the Company has complied with the three (3) key principles of the MCCG, Companies Act, 2016 ("**Act**") as well as the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") during the financial year ended 28 February 2022 ("**FYE 2022**").

This Statement is to be read together with the Corporate Governance Report 2022 ("**CG Report**") of the Company which is available on the Company's website at [www.nwp.com.my](http://www.nwp.com.my). The detailed explanation on the application of the corporate governance practices is reported under the CG Report.

## **PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS**

### **PART 1 - BOARD RESPONSIBILITIES**

#### **Board Leadership on Objectives and Goals**

The Board plays a critical role in charting the strategic direction, development and control of the Group includes reviewing and monitoring of matters on the strategy to promote sustainability, performance, evaluation, resource allocation, the standard of conduct, financial matters, succession planning, corporate disclosure, effectiveness and adequacy of the Group's system of internal controls and risk management practices.

An effective Board is one that is made up of a combination of Executive Director with intimate knowledge of the business and Non-Executive Directors from diverse industry/business background to bring broad business and commercial experience to the Group.

The responsibilities of the Board are stated in the Board Charter, which is available on the Company's website at [www.nwp.com.my](http://www.nwp.com.my).

Broadly, the Board of the Company assumes the following principal roles and responsibilities in discharging its fiduciary duties:

- Reviewing and adopting a strategic plan for the Group;
- Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management; and
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including system for compliance with applicable laws, regulations, rules, directives and guidelines.

The roles and responsibilities of the Independent Non-Executive Directors and Executive Directors are clearly defined and adequately segregated. All the Independent Non-Executive Directors are independent of the Executive Directors, management and major shareholders of the Company, and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgment. This offers a strong check and balance on the Board's deliberations.

The Board is supported by the following three (3) board committees with delegated responsibilities to assist the Board in carrying out its fiduciary duties:

- (a) Audit and Risk Management Committee ("ARMC")
- (b) Nomination Committee ("NC")
- (c) Remuneration Committee ("RC")

The powers delegated to the board committees are set out in the Terms of Reference of each of the board committees as approved by the Board. A copy of the Terms of Reference of the board committees is available on the Company's website at [www.nwp.com.my](http://www.nwp.com.my).

All the board committees are actively engaged and act as oversight committees. They evaluate and recommend matters under their purview for the Board to consider and approve. The Board receives updates from the respective Chairman of the board committees on matters that have been discussed and deliberated at the respective meetings.

The Board may form such other committees from time to time to promote operational efficiency. Notwithstanding these committees, the ultimate responsibility for decision still lies with the Board.

#### **Chairman and Chief Executive Officer**

The positions of the Chairman and Chief Executive Officer ("CEO") are held by different individuals with distinct and separate roles to enhance governance and transparency. This is so that no individual has unfettered powers of decision-making and also to comply with good principles of Corporate Governance.

The Chairman of the Board, Datuk Mohd Ashri Bin Muda who is an Independent Non-Executive Chairman, is responsible provides leadership at Board level and represents the Board to the shareholders and other stakeholders.

While Mr Yap Shuh Jian, the CEO of the Company has overall responsibility for the Group's operational and business units, organisational effectiveness and implementation of Board policies, directives, strategies and decisions. The CEO also functions as the intermediary between the Board and the Key Senior Management to ensure that the Board decisions are carried out by the Key Senior Management.

#### **Chairman of the Board should not be a member of the Board Committees**

The Board endeavours to comply with the Practice 1.4 of the MCCG whereby the Chairman of the Board should not be a member of the Board Committees. The Board also acknowledges the risk of self-review and may impair the objectivity of the Chairman and the board when deliberating on the observations and recommendations put forth by the Board Committees. However, the Chairman is not involved in management and operational matters of the Company, and he always provides constructive ideas and opinions to the Board and Board Committees respectively based on different perspectives as a Board Chairman and member of Board Committees. In addition, the presence of the two (2) Independent Directors from a total of the three (3) committees members

are sufficient to provide the necessary checks and balances on the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board committees.

### **Qualified and Competent Company Secretary**

The Board is supported by one (1) suitably qualified and competent Company Secretary. The Company Secretary play an advisory role to the Board and is responsible to ensure all Board procedures and Board management matters are in line as well as in compliance with MMLR, relevant laws and regulations. The Company Secretary ensure that discussions at Board and Board Committee meetings are well documented, and subsequently communicated to the relevant party for appropriate action. The Company Secretary is constantly keep himself abreast of the evolving capital market environment, regulatory changes and developments in corporate governance by attending relevant trainings from time to time.

### **Access to Information and Advice**

Unless otherwise agreed, notice of each meeting confirming the venue, time, date and agenda of the meeting together with relevant Board papers will be forwarded to each director no later than seven (7) days before the date of the meeting. This is to ensure that Board papers comprising due notice of issues to be discussed and supporting information and documentations were provided to the Board sufficiently in advance. Furthermore, Directors are given sufficient time to read the Board papers and seek for any clarification as and when they may need advices or further explanation from management and Company Secretary.

The deliberations of the Board in terms of the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities are recorded in the minutes of meetings by the Company Secretary and properly documented and maintained at the Registered Office of the Company.

The Board has access to all information within the Company to enable them to discharge their duties and responsibilities and is supplied on a timely basis with information and reports on financial, regulatory and audit matters by way of Board papers for informed decision making and meaningful discharge of its duties.

### **Board Charter**

The Board has adopted a Board Charter which provides Directors with greater clarity regarding the role of the Board, the requirements of Directors in carrying out their roles and discharging their duties to the Company and the Board's operating practices.

The Board Charter is reviewed from time to time and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is available on the corporate website [www.nwp.com.my](http://www.nwp.com.my).

## **GOOD BUSINESS CONDUCT AND CORPORATE CULTURE**

### **Code of Conduct and Whistle blower Policy**

The Code of Conduct and Ethics is to govern the standards of ethics and good conduct expected from Directors, Management and employees in discharging their duties and responsibilities and would help to prevent misconduct and unethical practices and consequently.

The Board is committed in maintaining a corporate culture which engenders ethical conduct through its Code of Conduct and Ethics, which summarises what the Company must endeavour to do proactively to increase corporate value, and which describes the areas in daily activities that require caution to minimise any risks that may occur.

The Group also recognises whistleblowing as an important mechanism in the prevention and detection of improper conduct, harassment or corruption in the conduct of its businesses and operations. As such, the Board has adopted a whistle blower policy for the Group as a measure to promote the highest standard of CG. The whistle blower policy outlines the avenues for Directors, employees and stakeholders to raise concerns or disclose in good faith any improper conduct within the Group and to enable prompt corrective actions and measures to resolve them effectively.

The Whistle blower Policy is available on the Company's website at [www.nwp.com.my](http://www.nwp.com.my).

### **Anti-Bribery and Anti-Corruption Policy**

The Board is committed to conducting its businesses in an ethical, responsible, transparent, and efficient manner. Hence, the Board inspires to reinforce good governance, preventive system and ensuring compliance with procedures, code of conduct and relevant laws in force by in place an Anti-Bribery and Anti-Corruption Policy to ensure employees of the Group discharge their duties in an ethical, responsible, transparent, and efficient manner and free from corruption. Also, to create a working environment that practices integrity work culture to enhance the trust and confidence of the Group's stakeholders.

The Anti- Bribery and Anti-Corruption Policy is available at the Company's website at [www.nwp.com.my](http://www.nwp.com.my).

## **PART 2 - BOARD COMPOSITION**

### **Composition of the Board**

The Board is committed in ensuring that its composition not only reflects the diversity as recommended by MCCG, as best as it can, but also the right mix of skills and balance to contribute to the achievement of the Group's goal and business objectives.

Currently, the Board consists of a total of 6 members, comprising one (1) Independent Non-Executive Chairman, two (2) Executive Directors and three (3) Independent Non-Executive Directors. The Company has complied with the Paragraph 15.02 of the MMLR of having at least two (2) or one third (1/3) of the Board comprising independent directors. In the event of any vacancy of the Board, resulting in non-compliance with Paragraph 15.02 of the MMLR, the Company will fill the vacancy within three (3) months.

The Board endeavours to fulfil the gender diversity provided by the latest MCCG and believes that with the current composition and size of the Board is adequate to discharge its duties and responsibilities efficiently and competently. The Board members have a diverse professional and entrepreneurial background, varied skills and experiences. With the presence of Independent Non-Executive Directors, it provides the necessary checks and balances in the Board's exercise of its functions and independent evaluation of the Board's decision-making process.

## **Re-election and Re-appointment of Directors**

In accordance with the Constitution and in compliance with the MMLR, all the Directors are required to retire from office at least once in every three (3) years and shall be eligible for re-election. The Constitution also requires that at least one-third (1/3) of the Board shall retire at each Annual General Meeting (“AGM”) and may offer themselves for re-election.

In addition, the Constitution and MMLR also require the newly appointed Directors to hold office only until the next AGM and shall be eligible for re-election.

## **Tenure of Independent Directors**

As at the date of this CG Overview Statement, the Board has yet to adopt a policy at limiting the tenure of Independent Directors. Nevertheless, the Company took note of the recommendation by MCCG, that the tenure of an Independent Director should not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain such a Director as an Independent Director beyond nine (9) years, the Board will need to justify the decision and seek shareholders’ approval at a general meeting through a two-tier voting process.

Currently, none of the Independent Directors has served the Company for a cumulative term of nine (9) years.

## **Diverse Board and Senior Management Team**

The appointments of our Board members and Senior Management are made based on merit, in the context of diversity in skills, experience, age, background, gender, ethnicity and other factors which is in the best interests of our Group. The Board recognises diversity in the boardroom as an essential component of a good corporate governance.

The decision on new appointment of Directors' and Senior Management rest with the Board after considering the recommendation of NC. In evaluating the suitability of candidates to the Board, NC will consider certain criteria such as skills, knowledge, expertise, experience, integrity, commitment, background, boardroom diversity and the ability of the candidate to discharge his/her duties as expected. For the appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in MMLR of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees and AGM.

## **Audit and Risk Management Committee**

The members of the ARMC and the activities undertaking by them during the FYE 2022 are set out in the ARMC Report on page 23 to 25 in Annual Report 2022.

## Nomination Committee

The members of NC are as follows: -

- Chairman** : Datuk Mohd Ashri Bin Muda (*Independent Non-Executive Chairman*)  
(*Appointed w.e.f 18 November 2021*)  
Wong Weng Kwan  
(*Independent Non-Executive Director*)  
(*Appointed w.e.f 28 September 2021 & Resigned w.e.f 10 November 2021*)
- Member** : Ku Chong Hong  
(*Independent Non-Executive Director*)  
(*Appointed w.e.f 12 November 2021*)  
Dato' Tan Lik Houe  
(*Non-Independent Non-Executive Director*)  
(*Appointed w.e.f. 29 March 2022*)  
Noor Azri bin Dato' Sri Noor Azerai  
(*Independent Non-Executive Director*)  
(*Appointed w.e.f 12 November 2021 & Resigned w.e.f 21 March 2022*)  
Yew Onn Chong  
(*Independent Non-Executive Director*)  
(*Appointed w.e.f 28 September 2021 & Resigned w.e.f 21 March 2022*)  
Matthew Chan Cheng Han  
(*Non-Independent Non-Executive Director*)  
(*Resigned w.e.f 10 November 2021*)  
Hong Chia Seong  
(*Independent Non-Executive Director*)  
(*Ceassation of office w.e.f 30 August 2021*)  
Huang Kun-Fang  
(*Independent Non-Executive Director*)  
(*Resigned w.e.f 2 June 2021*)

During the FYE 2022, the NC has undertaken the following activities via circular resolution in discharging its duties:-

- (a) Conducted an assessment before recommendation of appointment of director to the Board for approval; and
- (b) Assessed existing structure, size, composition (including gender diversity) and effectiveness of the Board as a whole and Board Committees.

## Remuneration Committee

The members of RC are as follows: -

	<u>Attendance</u>
<b>Chairman</b> : Dato' Yeo Chai Poh (Appointed w.e.f. on 29 March 2022)	-*
Wong Weng Kwan (Independent Non-Executive Director) (Appointed w.e.f 28 September 2021 & Resigned w.e.f 10 November 2021)	1/1
<b>Member</b> : Ku Chong Hong (Independent Non-Executive Director) (Appointed w.e.f. on 12 November 2021)	-*
Datuk Mohd Ashri Bin Muda (Independent Non-Executive Director) (Appointed w.e.f 18 November 2021 & Redesignated w.e.f 29 March 2021)	-*
Noor Azri bin Dato' Sri Noor Azerai (Independent Non-Executive Director) (Appointed w.e.f 12 November 2021 & Resigned w.e.f 21 March 2022)	-*
Yew Onn Chong (Independent Non-Executive Director) (Appointed w.e.f 28 September 2021 & Resigned w.e.f 21 March 2022)	1/1
Matthew Chan Cheng Han (Non-Independent Non-Executive Director) (Appointed w.e.f 28 September 2021 & Resigned w.e.f 10 November 2021)	1/1
Hong Chia Seong (Retired w.e.f 30 August 2021)	-*
Huang Kun-Fang (Resigned w.e.f on 2 June 2021)	-*
Tang Kit Seang (Appointed w.e.f. 30 August 2021) (Ceased of office w.e.f 28 September 2021)	-*

\* Their attendance was not included as there was no RC meeting held since their appointment.

During the FYE 2022, the RC has reviewed and recommended the Company's Directors remuneration and salary for the financial year.

## OVERALL BOARD EFFECTIVENESS

### Annual Evaluation

The NC would review and evaluate the performance of the Board as a whole, Board Committees and individual Directors on an annual basis. The annual assessment of individual Directors, Board as a whole and Board Committees which commences with the completion of a set of self-assessment from detailing all assessment criteria to be completed by all Directors for evaluation by NC.

The criteria used by the NC in evaluating the performance of individual, including contribution to interaction, integrity, competency and time commitment of the members of the Board and Board Committees in discharging their duties. The Board did not engage any external party to undertake an independent assessment of the Directors.

Based on the annual assessment conducted during the financial year, the NC was satisfied with the existing Board composition as well as the mix of qualifications, skills and experience among the Board Members and recommended to the Board the re-election of retiring Directors at the Company's forthcoming AGM. All assessments and evaluations carried out by the NC in discharge of its functions were properly documented.

### Board Meetings

The Board meets at least once on a quarterly basis and additional meetings are held as and when necessary. During the FYE 2022, nine (9) meetings were held and the attendance of each of the Board members as follows:-

	<u>Name of Directors</u>	<u>Attendance</u>	<u>Percentage of Attendance</u>
(a)	Datuk Mohd Ashri Bin Muda <i>(Appointed w.e.f. on 18 November 2021)</i>	4/4	100%
(b)	Lim Gek Shan <i>(Appointed w.e.f. on 10 November 2021)</i>	4/4	100%
(c)	Tan Jyy Yeen <i>(Appointed w.e.f. on 21 March 2022)</i>	N/A	N/A
(d)	Dato' Tan Lik Houe <i>(Appointed w.e.f. on 21 March 2022)</i>	N/A	N/A
(e)	Ku Chong Hong <i>(Appointed w.e.f. on 10 November 2021)</i>	4/4	100%
(f)	Dato' Yeo Chai Poh <i>(Appointed w.e.f. on 21 March 2022)</i>	N/A	N/A
(g)	Yew Onn Chong <i>(Resigned w.e.f. on 21 March 2022)</i>	7/9	78%
(h)	Tan Shiah Huei <i>(Resigned w.e.f. on 14 December 2021)</i>	6/6	100%
(i)	Datuk Chu Boon Tiong <i>(Retired w.e.f 30 August 2021)</i>	3/3	100%
(j)	Huang Kun-Fang <i>(Resigned w.e.f. on 2 June 2021)</i>	1/1	100%
(k)	Matthew Chan Cheng Han <i>(Resigned w.e.f. on 10 November 2021)</i>	5/5	100%
(l)	Hong Chia Seong <i>(Retired w.e.f 30 August 2021)</i>	3/3	100%
(m)	IR Cheng Heang Swee <i>(Resigned w.e.f 14 July 2021)</i>	1/2	50%
(n)	Dato' Sri Kee Soon Ling <i>(Appointed w.e.f 3 May 2021 &amp; Resigned w.e.f 21 March 2022)</i>	6/8	75%
(o)	Tang Kit Seang <i>(Appointed w.e.f 30 August 2021 &amp; Resigned w.e.f 10 November 2021)</i>	1/1	100%
(p)	Wong Weng Kwan <i>(Appointed w.e.f 28 September 2021 &amp;</i>	1/1	100%

(q)	<i>Resigned w.e.f 10 November 2021)</i> Noor Azri Bin Dato' Sri Noor Azerai <i>(Appointed w.e.f 10 November 2021 &amp; Resigned w.e.f 21 March 2022)</i>	4/4	100%
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Each Board member is expected to achieve at least 50% attendance of total Board Meetings in any applicable financial year as stipulated in MMLR with appropriate leave of absence be notified to the Chairman and/or Company Secretary, where applicable.

Based on the above, the Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. The Board is satisfied with the level of time and commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out in the section above.

### Directors' Training

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge to enable them to discharge their duties effectively. As such, the Board empowered the Directors of the Company to determine their own training requirements as they consider necessary to enhance their knowledge as well as understanding of the Group's business and operations.

Saved for Ms Tan Jyy Yeen, Dato' Tan Lik Houe and Dato' Yeo Chai Poh who just being appointed on 21 March 2022, all the Directors of the Company have attended and successfully completed the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Securities for director of public listed companies.

During the FYE 2022, the Directors have attended the following training, seminars, and conferences which they considered vital in keeping abreast with changes in laws and regulation, business environment, and corporate governance development:-

Name of Director	Seminars/Conferences/Training Programmes Attended	Date
Datuk Mohd Ashri Bin Muda <i>(Appointed w.e.f 18 November 2021)</i>	Bursa Malaysia Mandatory Accreditation Programme ("MAP")	11 February 2022
Lim Gek Shan <i>(Appointed w.e.f 10 November 2021)</i>	Bursa Malaysia Mandatory Accreditation Programme ("MAP")	11 February 2022
Ku Chong Hong <i>(Appointed w.e.f 10 November 2021)</i>	Bursa Malaysia Mandatory Accreditation Programme ("MAP")	11 February 2022

Ms Tan Jyy Yeen, Dato' Tan Lik Houe and Dato' Yeo Chai Poh have yet to attend any training as they have just been appointed on 21 March 2022. However, they have registered for the MAP training which scheduled to be held on 4 July 2022 to 6 July 2022. Despite of the above, all the Directors have constantly been updated with the relevant technical updates which to enhance their knowledge from time to time.

### PART 3 - REMUNERATION

The remuneration of the Executive Directors is determined fairly based on the performance and the profitability of the Group as a whole. The Directors' remuneration is at the discretion of the Board, taking into account the comparative market rates that commensurate with the level of contribution, experience and participation of each Director.

The Board collectively determines the remuneration for Non-Executive Directors to ensure the same is appropriately reflective of experience and the level of responsibilities and contributions including the number of the scheduled meetings for the Board, board of subsidiaries and Board Committees; and competitive compared with the prevalent market practices. Each of the Non-Executive Directors abstains from deliberating and voting on his own remuneration.

#### Directors' Remuneration

The detailed breakdown of the Directors' fees and other benefits paid to the Directors of the Company and group for the FYE 2022 are as follows: -

Directors	Company		Group	
	Fees (RM)	Salaries and other emoluments (RM)	Fees (RM)	Salaries and other emoluments (RM)
<b><u>Executive Directors</u></b>				
Lim Gek Shan <i>(Appointed w.e.f 10 November 2021)</i>	-	-	-	-
Tan Jyy Yeen <i>(Appointed w.e.f 21 March 2022)</i>	-	-	-	-
Dato' Sri Kee Soon Ling <i>(Appointed w.e.f 3 May 2021 &amp; Resigned w.e.f 21 March 2022)</i>	-	28,077	-	28,077
Tang Kit Seang <i>(Appointed w.e.f 30 August 2021 &amp; Resigned w.e.f 10 November 2021)</i>	-	22,477	-	22,477
Datuk Chu Boon Tiong <i>(Retired w.e.f 30 August 2021)</i>	-	-	-	251,419
<b><u>Non-Executive Director</u></b>				
Datuk Mohd Ashri Bin Muda <i>(Appointed w.e.f 18 November 2021)</i>	-	-	-	-
Dato' Tan Lik Houe <i>(Appointed w.e.f 21</i>	-	-	-	-

March 2022)				
Ku Chong Hong (Appointed w.e.f 10 November 2021)	-	-	-	-
Dato' Yeo Chai Poh (Appointed w.e.f 21 March 2022)	-	-	-	-
Noor Azri Bin Dato' Sri Noor Azerai (Appointed w.e.f 10 November 2021 & Resigned w.e.f 21 March 2022)	-	-	-	-
Yew Onn Chong (Resigned w.e.f 21 March 2022)	-	-	-	-
Tan Shiah Huei (Resigned w.e.f 14 December 2021)	30,000	-	30,000	-
Wong Weng Kwan (Appointed w.e.f 28 September 2021 & Resigned w.e.f 10 November 2021)	-	-	-	-
Matthew Chan Cheng Han (Resigned w.e.f 10 November 2021)	21,000	-	21,000	-
Hong Chia Seong (Retired w.e.f 30 August 2021)	-	-	-	-
IR Cheng Heang Swee (Resigned w.e.f 14 July 2021)	-	-	-	-
Huang Kun-Fang (Resigned w.e.f 2 June 2021)	-	-	-	-
<b>Total</b>	<b>51,000</b>	<b>50,554</b>	<b>51,000</b>	<b>301,973</b>

### Remuneration of Senior Management

The Company notes the need for corporate transparency in the remuneration of its senior management executives, however, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, such disclosure may be detrimental to the business interests and give rise to recruitment and talent retention issues. Thus, the Company is of the view that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the Group's senior management personnel who are not directors of the Company.

The remuneration of the senior management personnel which is a combination of annual salary, bonus and benefits-in-kinds are determined in a similar manner as other management employees of the Group. The basis of determination has been consistently applied and is based on individual performance and the overall performance of the Group.

## **PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT**

### **AUDIT AND RISK MANAGEMENT COMMITTEE**

#### **Audit and Risk Management Committee**

The ARMC is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situation. The ARMC also undertakes to provide oversight on the risk management framework of the Group.

The current composition of ARMC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The Chairman of the ARMC is not the Chairman of the Board. Collectively, the members of the ARMC have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the Terms of Reference of the ARMC.

The Board through its ARMC ensures that the audited financial statements are prepared accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The ARMC provides assistance to the Board in fulfilling these statutory and fiduciary responsibilities with regard to the financial reporting process, reviewing the scope of and results of internal and external auditing processes and monitoring the effectiveness of the internal controls and risk management to ensure the Board makes proper informed decisions and interests of shareholders are protected.

The Group recognises the need to uphold independence of its external auditors and that no possible conflict of interest whatsoever should arise. The ARMC took note on the Practice 9.2 of the MCCG to have a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

Further details on the work performed by ARMC in furtherance of its oversight role are set out in the ARMC Report on pages 23 to 25 of Annual Report 2022.

#### **Assessment on Suitability and Independence of External Auditors**

For the financial year, the ARMC performs an assessment on the suitability and independence of the External Auditors before making recommendation to the Board for the appointment or reappointment of the External Auditors.

The ARMC takes the following into consideration:

- The adequacy of the experience and resources of the External Auditors;
- The nature of the non-audit services and the fees payable for such services; and
- The level of independence of the External Auditors.

The ARMC, having assessed the performance and independence of the external auditors for the FYE 2022 satisfied with their suitability and independence and recommended to the Board for their re-appointment as external auditors at the forthcoming AGM subject to the shareholder's approval.

## **RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK**

### **Establishment of Risk Management and Internal Control Framework & Internal Audit Function**

The Board acknowledge their responsibility for maintaining a sound system of risk management and internal control of the Group that provides reasonable assurance of effective and efficient business operations, compliance with laws and regulations as well as internal procedures and guidelines.

The Group's internal audit function has been outsourced to an external consultant who reports directly to ARMC. The internal auditors adopt a risk-based approach towards the planning and conduct of audits, which are consistent with the framework in designing, implementing and monitoring its internal control systems. An annual internal audit plan setting out the internal audit work expected to be carried out annually, is tabled to the ARMC for review and approval.

The Statement on Risk Management and Internal Control set out on pages 26 to 27 of Annual Report 2022 which provides an overview of the Group's approach to ensure the effectiveness of the risk management and internal processes within the Group.

## **PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

### **COMMUNICATION WITH STAKEHOLDERS**

The Board recognises the importance of being transparent and accountable to its shareholders and has used various channels of communication to enable the Board and Management to continuously communicate, disclose and disseminate comprehensive and timely information to investors, shareholders, financial community and the public.

The Company maintains various methods of dissemination of information important to shareholders, stakeholders and the public at large through the timely announcement of events, the quarterly announcement of financial results and product information on the Company's website at [www.nwp.com.my](http://www.nwp.com.my).

### **CONDUCT OF GENERAL MEETINGS**

#### **Annual General Meeting**

The Board has oversight that the General meetings are a crucial mechanism as it provides the Board an important forum for shareholders communication. At each AGM, the Board encourages shareholders to participate in question-and-answer session in order to communicate their views and seek clarifications. The Executive Director, members of the Board, Company Secretary, senior management and external auditors are present to address queries during the meeting.

The Board is committed to issue the Company's notice of AGM to the shareholders at least twenty-eight (28) days prior to the meeting so that the shareholders are given sufficient time to consider the resolutions that will be discussed at the AGM, wherever possible.

The tentative dates of the AGM will be discussed and fixed by the Board in advance to ensure that each of the Directors is able to make the necessary arrangement to attend the planned AGM.

At the Twenty-first (21<sup>st</sup>) AGM of the Company, the COVID-19 pandemic has prompted the Company to leverage technology to facilitate hosting virtual AGM via remote participation and electronic voting. All the Directors were present online and to engage directly with shareholders, and be accountable for their stewardship of the Company.

In line with Paragraph 8.29A of the MMLR, the Company will ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company will appoint at least one (1) scrutineer to validate the votes cast at the General Meeting.

## **COMPLIANCE STATEMENT**

The Board has deliberated, reviewed and approved this Statement, and considers that this overview statement provides the information necessary to enable shareholders to evaluate how the MCCG has been applied. The Board considers and is satisfied that the Group has fulfilled its obligation under the MCCG, AMLR and all applicable laws and regulations throughout the FYE 2022.

This Statement was approved by the Board of Directors of the Company on 28 June 2022.