



NWP HOLDINGS BERHAD

[Registration No.: 199901020576 (495476-M)]

BOARD CHARTER

(Adopted on 28 June 2022)

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(Incorporated in Malaysia)

BOARD CHARTER

1. OVERVIEW

The Board of Directors (“**the Board**”) of NWP Holdings Berhad (“**the Company**”) collectively leads and is responsible for the long-term success of the Company and its subsidiaries (“**the Group**”) by providing leadership and direction as well as supervision of the management of the Company (“**Management**”). The Board has primary responsibility for the governance and management of the Company, and fiduciary responsibility for the financial and organisational health of the Company.

The Board Charter is designed to achieve the following objectives:

- (a) to enable the Board to provide strategic guidance and effective oversight of Management;
- (b) to clarify the roles and responsibilities of members of the Board and Management to facilitate the Board and Management’s accountability to the Company and its shareholders;
- (c) to ensure a balance of authority so that no single individual or group of Directors has unfettered powers; and
- (d) to assist the Board in the assessment of its own performance and of its individual Directors.

2. BOARD STRUCTURE

2.1 Board Composition and Balance

The Board recognises the importance of independence and objectivity in the decision-making process. To the extent where practicable, at least half of the Board should comprise of Independent Directors. If the number of Directors is not even, then the Board shall comprise a majority of Independent Directors. This will allow for more effective oversight over the Management.

In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**MMLR**”), the Board shall at all times comprise at least two (2) Independent Directors or one-third (1/3) of the Board shall comprise Independent Directors. In the event of any vacancy in the Board resulting in non-compliance of the composition of Independent Directors as prescribed under the MMLR, the said vacancy must be filled within three months.

The Board endeavours to keep its size at a reasonable level to ensure participation, involvement and effectiveness. The number of Directors shall not be less than two and not more than twelve (12) as set out in the Company’s Constitution. The Board shall from time to time examine its size with a view to determine the impact of its number upon its effectiveness.

The Board recognises the need for its composition to reflect a range of diversity, skill mix and expertise. As such, the Board aims to maintain at least 30% women representation in its Board and in accordance with the MMLR, at least one female director at all times.

Any appointment of new Board members shall be reviewed and recommend by the Nomination Committee to the Board for final approval.

2.2 Role of the Board of Directors

The Board is the ultimate decision-making body of the Company, with the exception of matters requiring shareholders' approval. The Board assumes, amongst others, leadership, due care and fiduciary duties in the interests of the Company under the Companies Act 2016 and applicable laws. Members of the Board must act with integrity, lead by example, keep abreast of the responsibilities as a Director and of the conduct, business activities and development of the Company. Each Director is responsible, and all Directors are collectively responsible for the Company.

In line with the Malaysian Code on Corporate Governance 2021 issued by Securities Commission Malaysia ("MCCG"), the Board has the following duties and responsibilities:

- (i) to set the strategic aims of the Company, ensure that the necessary resources are in place for the Company to meet its objectives and review the Management's performance;
- (ii) to set the Company's values and standards and ensure that its obligations to its shareholders and other stakeholders are understood and met;
- (iii) to take responsibility together with the Management for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets;
- (iv) to take appropriate action in ensuring that members of the Board and Management stay abreast with and understand sustainability issues relevant to the Company and its business, including climate-related risks and opportunities;
- (v) to identify a designated person within the Management to focus on strategically managing sustainability, including the integration of sustainability considerations in the operations of the company;
- (vi) to carry out performance evaluations of the Board and Management including a review of the performance of the Board and Management in addressing the Company's material sustainability risks and opportunities;
- (vii) to ensure that the sustainability strategies, priorities and targets as well as performance against these targets are communicated to internal and external stakeholders;
- (viii) to review and approve the annual corporate plan for the Group, which includes the overall corporate strategy, sustainability strategy, business development and marketing plan, human resources plan, financial and budget plan, regulatory plan and risk management plan;
- (ix) to review and approve strategic initiatives including corporate business restructuring or streamlining and strategic alliances;
- (x) to oversee the conduct of the Group's businesses to evaluate whether the businesses are being properly managed;
- (xi) to ensure that the Company has appropriate corporate governance structures in place, including standards of ethical behaviour and promoting a culture of corporate responsibility;
- (xii) to identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- (xiii) to approve the nomination, selection, succession policies, and remuneration packages for the Board, Board Committee members, Nominee Directors on the functional Boards of the subsidiaries and the Principal Officers, the annual manpower budget for the Group, managing succession planning, appointing, training, fixing the compensation of, and where appropriate, replacing the Management or key personnel;
- (xiv) to develop and implement an "investor relations programme" or "shareholder communications policy" for the Group;
- (xv) to review the adequacy and integrity of the Group's internal control systems and management of information systems, including systems for compliance with applicable laws,

- regulations, rules, directives and guidelines (including the securities laws, Companies Act 2016 and MMLR);
- (xvi) to review and approve the Financial Statements encompassing annual audited accounts and quarterly reports, dividend policy, credit facilities from financial institutions and guarantees;
 - (xvii) to review and approve the Audit and Risk Management Committee Report and Statement of Risk Management and Internal Control for the Annual Report;
 - (xviii) to prepare a Corporate Governance Overview Statement in compliance with the MCCG for the Annual Report;
 - (xix) to review and approve investment policies and guidelines for the Company's surplus funds, asset allocation policy and policy on exposure limits on investment with banking institutions;
 - (xx) to review and approve the capital expenditure, purchase of fixed assets, operating expenditure, variation order and any other matters in accordance with the Authority Limits Document;
 - (xxi) to approve the appointment of external auditors and set their related audit fees; and
 - (xxii) to initiate a Board self-evaluation program and follow-up action to deal with issues arising and arrange for directors to attend courses, seminars and participate in development programs as the Board judges appropriate.

The Board being mindful of the importance of building a sustainable business, shall therefore take into consideration the environmental, social and governance (ESG) impact when developing the corporate strategy of the Group. The Board shall ensure that the Company participates and undertakes activities related to corporate social responsibility (CSR).

2.3 Matters Reserved for the Board

To ensure that the direction and control of the Group are firmly in its hands, the matters reserved for the Board's decision are as follows:

- Establishment of Board Committees and approval of the Terms of Reference;
- Appointment of Board members as per recommendation from the Nomination Committee;
- Appointment/resignation of the Company Secretary;
- Approval of corporate plans and programmes;
- Approval of annual budgets, including major capital commitments;
- Approval of new ventures;
- Approval of material acquisitions and disposals of undertakings and properties; and
- Changes to the Management and control structure within the Group, including key policies and delegated authority limits.

2.4 Authority of the Board

The Board derives its authority to act from the Constitution of the Company and laws, rules and regulations governing companies in Malaysia.

The Directors may exercise their authority and perform their duties on behalf of the Company in managing the Company within the scope and jurisdiction of the Constitution of the Company.

The Board is the ultimate decision maker of the Company, with the exception of matters requiring the approval of shareholders. The Board sets the strategic direction and vision of the Company with the express assistance of the Management of the Company. The Board is fully responsible for its duties in leading, governing and monitoring the performance of the Company and ensuring that the Management is able to execute its functions effectively.

2.5 Separation of Positions of the Chairman of the Board

The Board shall be under the leadership of the Chairman who is elected by the Board. The Chairman and the Chief Executive Officer (“CEO”) shall be two separate persons to ensure the separation of powers, with their roles and responsibilities separate and distinct.

In the event that the positions of Chairman of the Board and CEO are held by same person or a majority of Independent Directors were not met, the Company shall provide explanation and justification in the Annual Report of the Company.

The Chairman of the Board should not be a member of the Audit and Risk Management Committee, Nomination Committee or Remuneration Committee, in line with the MCCG recommendations.

2.6 Role of the Chairman of the Board

The Chairman is elected by the Board and will preside at all Board meetings and general meetings of the Company. The Chairman will ensure that procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted.

The Chairman carries a leadership role in the conduct of the Board and the primary responsibilities of the Chairman are, amongst others, as follows:

- to lead the Board and to ensure the effectiveness of all aspects of the Board’s role;
- to lead the Board in adoption and implementation of good corporate governance practices;
- to ensure the efficient organisation and conduct of the Board’s function and meetings;
- to set the Board agenda and facilitate the effective contribution of all Directors at Board meetings;
- to promote constructive and respectful relations among Directors, and between the Board and Management; and
- to ensure appropriate steps are taken to provide effective communication with stakeholders and that stakeholder views are communicated to the Board as a whole.

2.7 Role of the Managing Director

The Managing Director (“MD”) holds the primary executive responsibility for the Group’s business performance and manages the Group in accordance with the strategies and policies approved by the Board.

The Managing Director is responsible for the day-to-day operations of the Group, within the authority as delegated by the Board. The primary tasks for the MD, amongst others, are as follows:

- to focus on the business and lead the Management of the Company in making and implementing day-to-day decisions on business operations;
- to manage resources and risks in pursuing the corporate objectives of the Group;
- to develop and implement corporate strategies for the Group;
- to ensure the efficiency and effectiveness of the Group’s operations;
- to assess business opportunities which have potential benefit to the Group;
- to bring material and relevant matters to the attention of the Board in an accurate and timely manner; and
- to carry out other duties and responsibilities as may be delegated by the Board.

The MD shall be a Board member and have the capacity to appoint members of the Management or appropriate personnel to join the Board as Executive Directors.

In the absence of the MD, any of the Executive Directors who is fully acquainted with the day-to-day operations of the Company shall be the person directly responsible for the overall running of the Company.

2.8 Role of the Executive Directors / Chief Executive Officer

The Executive Directors / CEO are involved in leadership roles overseeing the day-to-day operations and management within their specific areas of expertise and/or assigned responsibilities. They are further responsible for implementing strategic plans and policies set by the Board and to assist the MD in discharging his duties. The Executive Directors represent the Company at the highest level and are decision makers on matters within their scope. The Executive Directors liaise frequently with the MD and each other to lead the Management in driving the Company and the Group forward.

2.9 Role of the Independent Directors

The Independent Directors are Non-Executive Directors of the Company and the Group. They are independent management and free from any significant business or other relationship with the Company and the Group. Hence, they are able to provide unfettered and unbiased independent judgement and promote good corporate governance in their role as Independent Directors.

Their various roles in the Board Committees further contribute towards the enhancement of corporate governance and controls within the Group.

The Board has adopted a definition of 'Independent,' setting out the interests and relationships to be considered by the Board in assessing the independence of each director in accordance with Paragraph 1.01 of the MMLR.

The role of the Independent Director is to constructively challenge and help develop strategic including, inter alia:

- to make an independent assessment of the information, reports or statements, having regard to the directors' knowledge, experience and competence, to provide an independent view and demonstrate objectivity in reviewing and challenging the Management's proposals at meetings;
- to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to keep abreast of industry issues, market development and trends to sustain their active participation in board deliberations; and
- to act as a channel of communication between the Management, shareholders and other stakeholders, provide the relevant checks and balances, focus on shareholders' and other stakeholders' interests and ensure that high standards of corporate governance are applied.

2.10 Role of the Senior Independent Non-Executive Director

The Board may appoint a Senior Independent Director to whom concerns of shareholders and the public can be conveyed towards.

The Senior Independent Non-Executive Director contributes by playing the following roles:

- to ensure all Independent Directors have an opportunity to provide input on agendas and advise the Chairman on quality, quantity and timeliness of the information submitted to the

Management that is necessary or appropriate for the Independent Directors to perform their duties effectively;

- to consult the Chairman regarding board meeting schedules to ensure that the Independent Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items;
- to serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Chairman or Executive Directors;
- to serve as the principal conduit between the Independent Directors and the Chairman on sensitive issues such as whistleblowing issues arising; and
- to chair the meeting between the Non-Executive Directors where both the Chairman and Executive Directors do not attend.

2.11 Board Committees

Board Committees will be formed to facilitate efficient decision-making.

Board Committees will observe the same rules of conduct and procedure as the Board unless the Board determines otherwise in a separate Terms of Reference. Board Committees will only speak or act for the Board when so authorised.

The Board has established the following Board Committees, each with clearly defined Terms of Reference detailing the Board Committees' authorities, roles and responsibility in order to enhance business and corporate efficiency and effectiveness:

- i) Audit and Risk Management Committee;
- ii) Remuneration Committee; and
- iii) Nomination Committee.

The Chairman of the relevant Board Committees will report to the Board on the key issues deliberated by the Board Committees at Board meetings.

2.12 Tenure of Directors

Pursuant to the Company's Constitution and MMLR, at each Annual General Meeting ("AGM") of the Company (i) one-third of the Directors, or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office, and (ii) an election of directors shall take place. Each Director shall retire once in every three years but shall be eligible for re-election.

The Directors to retire at each AGM shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire (unless they otherwise agree among themselves) shall be determined by lot.

Any Director appointed by the Board during the financial year shall hold office only until the next AGM of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The tenure of the Executive Directors is tied to their executive office.

The independence of each Director is reviewed at least annually, and individual Directors do not participate in assessing their own independence.

The tenure of an Independent Director should not exceed a cumulative term of nine years as recommended by MCCG and shall not exceed a cumulative term of twelve years, as stated in MMLR. The MCCG recommends that upon completion of nine years, an Independent Director may continue to serve on the Board subject to the respective Directors' re-designation as a Non-Independent Director, and the Board should justify and seek shareholders' annual approval through two-tier voting (as provided below and as defined in MCCG). Retaining an Independent Director who has served in that capacity for more than nine years, requires the Nomination Committee/ Board to conduct a rigorous review to determine whether the Director is independent in character and judgment, taking into account the need for progressive refreshing of the Board.

In accordance with MMLR, in the event the Board continues to retain the Independent Director after the cumulative period of twelve years before observing the requisite three years cooling period, the Company is required to provide justification for the said appointment and provide explanation on why there is no other eligible candidate, in a statement of immediate announcement on the said appointment accompanying notice of the AGM.

According to MCCG, the Board should ensure shareholders have the relevant information to make an informed decision on the appointment and re-appointment of a director, which includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence in material respect, their capacity to bring an independent judgment to bear on issues before the board and to act in the best interests of the Company as a whole. The Board should provide a statement as to whether it supports the appointment or re-appointment of the candidate and accompanying justifications.

Two-tier Voting Process

- Shareholders' votes will be cast in the following manner at the same shareholders meeting:
 - Tier 1: Only the Large Shareholder(s) of the company votes; and
 - Tier 2: Shareholders other than Large Shareholders votes.
- The decision of the resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority of votes determine the outcome of the Tier 1 vote.
- The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. However, the resolution is deemed to be defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.
- "Large Shareholder(s)" refers to a person who:
 - Is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in company;
 - Is the largest shareholder of voting shares in the company;
 - has the power to appoint or cause to be appointed a majority of the directors of the company;
 - has the power to make or cause to be made, decisions in respect of the business or administration of the company, and to give effect to such decisions or cause them to be given effect to; or

any person which is defined in MCCG.

3. BOARDROOM DIVERSITY POLICY

This Policy pursues to formally record the Company's policy on Board diversity and to recognise the recommendations of the MCCG.

The Board is committed to maintaining an environment of respect for people regardless of their gender in all business dealings, and achieving a workplace environment free of harassment and discrimination based on gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board.

The Board acknowledges the importance to promote gender diversity, prioritising selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board. Thus, the Company aims to maintain at least 30% women representation in its Board and in accordance with the MMLR, at least one female director at all times .

Selection of candidates will be based on a range of diversity perspectives, including but not limited to professional and business experience, skills, knowledge, gender, age, ethnicity and educational background. The ultimate decision will be based on merit and contributions that the selected candidates will bring to the Board. The Board's diversity policy (including gender, ethnicity and age) will be disclosed in the Company's Annual Report.

Scope & Policies

The Board acknowledges that the concept of diversity incorporates numerous aspects, such as professional and business experience, skills, knowledge, gender, age, ethnicity and educational background.

(a) Board Mix

The Board shall include a balanced composition of Executive, Non-Executive and Independent Non-Executive Directors to promote a strong element of independence within the Board. The Independent Non-Executive Directors shall be of sufficient calibre and standing, for their views to carry weight.

(b) Skills and Experience

The Board shall possess a balance of appropriate skills for the requirements of the Company. The Directors shall have a mix of financial, legal, management and other backgrounds which when working in synergy, will provide the Company with considerable experience in a wide range of activities.

(c) Gender

The Board is cognisant of the recommendation of the MCCG to have at least 30% women as decision makers on the Board and the Board further encourages female participation in the Management. The Company shall endeavour to increase female representation on the Board and Management to ensure a healthy talent pipeline.

(d) Ethnicity/Nationality

The Company aspires to have a board of directors of different nationalities and ethnic backgrounds who can contribute their knowledge and understanding of business, industries and environments.

(e) Age

The Board is fully committed to promote age diversity, valuing the contribution of its members regardless of age, and seeks to eliminate age stereotyping and discrimination.

4. NOMINATION AND APPOINTMENTS

The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Nomination Committee. The Company shall also disclose how the new Director were sourced, including if the new Director is recommended by the existing Directors, management or major shareholders.

In making the recommendation to the Board, the Nomination Committee will have due regard to diversity in skills, experience, age, cultural background, gender, character, integrity, competence and time to effectively discharge their role as Director.

New Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board's performance of its duties and to devote sufficient time and attention to the affairs of the Company.

The Company Secretary shall have the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.

Upon appointment, new Directors are provided with comprehensive information on the Group to enable them to gain an understanding of the Group's strategies and operations, and effectively contribute to the Board.

In the event of any vacancy in the Board, resulting in non-compliance with the MMLR, the Company must fill the vacancy within three months.

5. DISQUALIFICATION OR VACATION OF OFFICE

The office of Directors shall *ipso facto* become vacant:

- if the Director ceases to be a Director by virtue of the Companies Act 2016;
- if (not being the Managing or Deputy or Assistant Managing Director holding office as such for a fixed term) the Director resigns his office by notice in writing under his hand sent to or left at the Company's Registered Office;
- if the Director is absent from more than fifty percent of the total Board of Directors' meetings held during a financial year, unless approval is sought and obtained from the Exchange;
- if the Director is removed from his office by resolution of the Company in a general meeting of which special notice has been given;
- if the Director becomes of unsound mind or a person whose person or estate is liable to be dealt with under the Mental Health Act 2001; and

- if the Director becomes prohibited or disqualified from being a Director by reason of any order made under the provisions of the Companies Act 2016 or the MMLR.

Each Board member is expected to achieve at least fifty percent attendance of total Board meetings in any applicable financial year with appropriate leave of absence to be notified to the Chairman and/or Company Secretaries, where applicable.

6. TIME COMMITMENT FOR ACCEPTING NEW DIRECTORSHIP

All Board members shall notify the Chairman of the Board before accepting any new directorship. The notification shall include an indication of time that will be spent on the new appointment, which Director should always be able to devote sufficient time to serve the Board effectively, despite any new directorship being accepted.

The Chairman shall further notify the Board if he has any new directorship or significant commitments outside the Company.

As prescribed under the MMLR, each Board member must not hold directorships at more than five public listed companies.

7. DIRECTORS' TRAINING

The Directors shall be regularly updated by the Company Secretary, the External Auditors or the Internal Auditors on new statutory, corporate and regulatory developments relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company.

The Board should on a continuous basis evaluate and determine the training needs of each Director, particularly on relevant new laws and regulations and essential practices for effective corporate governance and risk management, to enable the Directors to effectively discharge their duties.

8. COMPANY SECRETARY

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Board recognises that the Company Secretary should be suitably qualified and competent to provide sound governance advice, ensure adherence to rules and procedures, and advocate the adoption of corporate governance best practices in the Company.

The office of the Company Secretary shall be vacated if the Company Secretary resigns by notice in writing to the Company left at the Registered Office of the Company. Where a Company Secretary gives notice of resignation to the Directors, the Company Secretary shall cease to act as Company Secretary with immediate effect or on the date specified in such notice (as the case may be).

9. ACCESS TO ADVICE AND SERVICES OF THE COMPANY SECRETARY

Directors and the Board as a whole shall have unlimited access to advice and services of the Company Secretary and may request information and documents relating to the Company from the Company Secretary in order to facilitate their work duties as Directors.

10. BOARD MEETINGS AND PROCEDURES

10.1 Board Meetings

- a) The Board shall meet at least four times in a financial year, although additional meetings may be called at any time at the Chairman's discretion.
- b) The quorum of a Board meeting shall be two, and a meeting of Directors at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under the Constitution vested in or exercisable by the Directors generally.
- c) Proceedings of all meetings are minuted and signed by the Chairman of the meeting. Minutes of all Board meetings are circulated to the Directors in a timely manner and approved by the Board at the subsequent meeting.
- d) Actions on all matters arising from any meeting are reported at the following meeting.
- e) The Board shall limit Board meetings to Directors and Management only. Any external parties such as auditors (both internal and/or external auditors), solicitors or consultants attending Board meetings will require basis and justifications for approval by the appointed Chairman of such meetings, and recorded by the Company Secretary. Invited external parties may attend part or all of the Board meeting at the discretion of the Board.
- f) Any Director who has a direct or deemed interest in the subject matter to be deliberated shall abstain from deliberation and voting on the same during the Board meeting.
- g) In the event the elected Chairman is not able to attend a Board meeting, a member of the Board shall be nominated as Chairman for the meeting. The nominated Chairman shall be an Independent Non-Executive Director.
- h) The Board meeting may be held and conducted through the telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.
- i) A resolution in writing, signed or approved by letter, telegram, telex, telefax or electronic means by a majority of the directors present in Malaysia for the time being entitled to receive notice of a meeting of the Board, shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more of the members of the Board. The resolutions are to be recorded in the Company's minutes book kept by the Company Secretary.

10.2 Notices of Board Meetings

- a) Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each attendee no later than five (5) days before the date of the meeting.
- b) As a best practice and allow ample time for Directors to study and evaluate the matters to be discussed and subsequently make effective decisions, the Board papers and agenda items shall be circulated at least five days prior to the meeting.

10.3 Decision Making Process

A decision by the Board requires the majority of the votes cast by the Board members who take part in the processing of an issue. In the event of an equality of votes, the Chairman of the Board shall have the casting vote.

11. INDEPENDENT PROFESSIONAL ADVICE

In discharging the Directors' duties, each member of the Board is entitled to obtain independent professional advice at the cost of the Company.

Where such advice is considered necessary for the discharging of his duties and responsibilities as Director and, for the benefit of the Company, such Director shall first discuss it with the Chairman and, having done so, shall be free to proceed.

Subject to the prior approval of the Chairman/ Board, the cost of the advice will be reimbursed by the Company, but the Director will ensure, so far as is practicable, that the cost is reasonable.

12. ACCESS TO INFORMATION

The Board should have access to all information pertaining to the Company and advice/ services of the Company Secretary and Management in the Group in a timely manner for the discharge of its duties effectively.

The Directors may whether as a full Board or in their individual capacity, seek independent professional advice, including the internal and external auditors, at the Company's expense to enable the Directors to discharge their duties with adequate knowledge on the matters being deliberated.

The Board acknowledges that confidential information received in the course of exercising their Board duties remains the property of the Group, whether it relates to the Group or another entity. Such confidential information will not be disclosed unless either the Chairman of the Board has so authorised in writing, or if disclosure is required by law.

13. DIRECTORS' REMUNERATION

The remuneration policy of the Company is based on the philosophy of giving higher weightage on performance-related bonuses. These are entrenched in the remuneration policy for Executive Directors, which are reviewed annually by the Remuneration Committee. The performance of Directors is measured by the Directors' contribution and commitment to both the Board and the Company. The Executive Directors' remuneration will depend on the performance of the Group.

In the case of Non-Executive Directors, the level of remuneration reflects the contribution and level of responsibilities undertaken by the particular Non-Executive Director.

The Board will determine the level of remuneration for each Board member, taking into consideration the recommendations of the Remuneration Committee.

The Directors shall be paid all their travelling and other expenses necessarily expended by them relating to the business of the Company including their travel and other expenses incurred in attending Board Meetings of the Company.

The Directors concerned shall abstain from voting on or discussing their own remuneration.

14. CODE OF CONDUCT AND ETHICS

The Directors are to maintain the highest degree of integrity and professionalism while at the same time promoting transparency and accountability in their actions.

The Company has in place a “*Code of Ethics and Business Conduct*” published on the Company’s website, which is formulated to enhance the standard of corporate governance and behaviour through:

- a) Establishing standards of ethical conduct for Directors based on acceptable beliefs and values;
- b) Upholding the spirit of social responsibility and accountability in line with the legislation, regulations and guidelines governing the Group; and
- c) Documenting and emphasising the integral obligation of each Director in performing his/her duty, to act in a manner that is lawful, honest, ethical and free from any conflict of interest or perceived conflict of interest.

15. WHISTLE BLOWER POLICY

The Company has in place a “*Whistle Blower Policy*” to manage improper conduct on the part of the Directors, if any. This policy covers areas from lodging of reports to investigations and corrective actions that are required to be taken.

A Director’s improper conduct is generally described as any conduct by a Director which if proven constitutes a criminal offence, or any conduct that constitutes a wrongdoing or malpractice, and may include any of the following:

- (i) The breach of any law, regulation or rule that is applicable to the Company. For example, a breach of insider trading laws;
- (ii) Any criminal act, including criminal breach of trust, extortion and sabotage;
- (iii) Any act that is likely to cause significant financial loss or costs to the Company including any intentional misrepresentation of the Company’s financial statements;
- (iv) Any other action that would cause significant harm to the Company or to any person(s); and
- (v) The deliberate concealment of information concerning any of the matters listed above.

The Board has overall responsibility for this policy and shall oversee the implementation of this policy.

16. RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS

The Board will maintain an effective communications policy that enables both the Board and Management to communicate effectively with shareholders and the general public.

The Board will ensure that the general meetings of the Company are conducted in an efficient manner and serve as a mode of shareholders’ communications. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Additionally, the Company should ensure the

supply of comprehensive and timely information to shareholders, and the encouragement of active participation at general meetings. The Company will leverage dataology to facilitate:-

- (a) Voting including voting in absentia; and
- (b) Remote shareholders' participation at the general meeting.

The methods of communication engaged by the Company are, amongst others, as follows:

- a) timely announcements and disclosures made to Bursa Securities;
- b) the Company's website, <http://nwp.com.my/> which provides easy access to corporate information pertaining to the Group and its activities, which is updated as and when necessary.

The Chairman shall encourage active shareholder participation during general meetings by supporting meaningful engagement between the Board, Management and shareholders. Shareholders shall be given opportunity to pose questions during the general meetings, all questions should receive a meaningful response and questions shall be made visible to all meeting participants during the general meeting.

The AGM is one of the principal forums for communication with shareholders. Notices of the AGM and annual reports shall be sent out to shareholders at least twenty-one (21) before the date of the AGM.

As recommended by MCG, all directors shall attend general meetings and the Chairman for the respective Board Committees should provide meaningful responses to the questions addressed. The minutes of the general meetings should be circulated to the shareholders not later than thirty (30) business days after the general meeting.

17. ACCOUNTABILITY AND AUDIT

17.1 FINANCIAL REPORTING

The Board aims to present a clear and balanced assessment of the Group's financial position and future prospects, which extends to the annual and quarterly reports.

The Board shall ensure that the annual and interim financial statements are prepared so as to give a true and fair view of the current financial status of the Group in accordance with the approved accounting standards. The Audit and Risk Management Committee plays an important role in ensuring that the Company's financial statements are a reliable source of financial information, and ensures the compliance of the applicable financial reporting standards before recommending the Company's financial statements to the Board.

17.2 EXTERNAL AUDITORS

The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied, and for maintaining an appropriate relationship with the External Auditors through the Audit and Risk Management Committee.

The Audit and Risk Management Committee further keeps under review the scope and results of the audit, its cost effectiveness, independence and objectivity of the External Auditors of the Company. The Audit and Risk Management Committee ensures that the External Auditors do not supply a substantial volume of non-audit services to the Company.

Appointment of the External Auditors is subject to the approval of shareholders at a general meeting. The External Auditors must retire every year during the AGM and be subject for re-appointment by the shareholders of the Company for the ensuing year.

18. REVIEW OF BOARD CHARTER

Where necessary, the Board Charter will be reviewed and updated from time to time by the Board to ensure its relevance in assisting the Board to discharge its duties with the changes in the corporate laws and regulations that may arise from time to time, and to remain consistent with the Board's objectives and responsibilities. A copy of the Board Charter shall be published on the corporate website at all times.

END.