



NWP HOLDINGS BERHAD

(Company No. 495476-M)

REMUNERATION COMMITTEE TERMS OF REFERENCE

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1. Objective

- 1.1. The role of the Remuneration Committee ("RC") is to support and advise the Board in relation to the matters set out in these Terms of Reference.

2. Composition of members

- 2.1. The members of the RC shall be appointed by the Board comprising at least three (3) Non-Executive directors, a majority of whom must be independent.
- 2.2. The Chairman of the RC shall be an Independent Non-Executive Director appointed by the Board amongst the members of the RC. In the absence of the Chairman, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these Terms of Reference to be appointed by the Board.
- 2.3. Only members of the RC have the right to attend the RC meeting. However, other individuals such as the Head of Department and external advisors may be invited to attend all or part of the meeting as and when appropriate and necessary.

3. Authority

- 3.1. The Board has established the RC with the authorities necessary to perform duties set out in Terms of Reference.
- 3.2. The RC, within the scope of its assigned duties, is authorized to seek any information it requires from any employees in order to perform its duties.
- 3.3. The RC is also authorized by the Board to obtain, at the Company's expenses, external legal or other professional advice on any matters within its Terms of Reference.
- 3.4. The RC shall have access to sufficient resources to carry its duties, including access to the Company Secretary for assistance as required.

4. Duties and Responsibilities

The duties and responsibilities of the RC are as follows:

- 4.1. To review and assess the remuneration packages of the executive directors in all forms, with or without other independent professional advice or other outside advice to reflect the Board's responsibilities, expertise and complexity of the Company's activities.
- 4.2. To ensure the levels of remuneration be sufficiently attractive and be able to retain directors needed to run the Company successfully.

- 4.3. To structure the component parts of remuneration so as to align with the business strategy and long-term objectives of the Company and to link rewards to individual performance and to assess the needs of the Company for talent at Board level at a particular time.
- 4.4. To review and recommend to the Board the remuneration packages of the executive directors.
- 4.5. To review and recommend the remuneration of Non-Executive directors to the board.
- 4.6. To review and approve remuneration packages of related employees¹ (who are not Directors) to ensure that they are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.
- 4.7. To act in line with the directions of the Board.
- 4.8. To consider and examine such other matters referred by the Board to the RC.
- 4.9. To approve the disclosure of directors' remuneration in the Company's annual report.

5. Secretary

- 5.1. The Secretary to the RC shall be the Company Secretary of the Company.
- 5.2. The Secretary is responsible to prepare the minutes of the RC meetings and circulate the minutes of the RC meetings promptly to all members of the RC and table the same to the Board for notation.

6. Meetings

- 6.1. The RC may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.
- 6.2. The Secretary shall on the requisition of the members of the RC summon a meeting of the RC except in the case of an emergency, reasonable notice of every RC meeting shall be given in writing.
- 6.3. The Chairman of the RC shall report to the Board on any matter that should be brought to the Board's attention and provide recommendations of the RC that require the Board's approval at the Board meeting.
- 6.4. In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the Meeting.

7. Quorum

- 7.1. The quorum for the RC meeting shall consist of at least two (2) members provided always that the person chairing the RC meeting shall be an Independent Non-Executive Director.

8. Term of Office

- 8.1. The term of office and performance of the RC and each of its members shall be reviewed at least once every three years by the Board; to assess whether the RC and its members have carried out their duties in accordance with their terms of reference.
- 8.2. A formal evaluation of the performance of all RC members should be undertaken by the nominating committee.

9. Circular Resolution

- 9.1. A resolution in writing signed or approved by letter, telex, telefax or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one or more directors.

10. Amendments, Variation or Modification

- 10.1. The Terms of Reference of the RC shall be reviewed on annual basis and may be amended, varied and modified in writing as and when necessary subject to the Board's approval.

¹ *Related Employee means Related Officer who is a relative of any Director or Controlling Shareholder (or proposed Director or Controlling Shareholder) of the Company. A "relative" refers to a person's spouse, child, adopted child, step-child, sibling or parent (together, the person's "immediate family"), and the spouse, child, adopted child, step-child, sibling or parent of the person's immediate family.*