

DWL RESOURCES BERHAD
(formerly known as Spring Gallery Berhad)
[Registration No. 200001002113 (504718-U)]
(Incorporated in Malaysia)

**POLICIES AND PROCEDURES TO DETERMINE THE REMUNERATION
OF DIRECTORS AND SENIOR MANAGEMENT
(Updated on 21 January 2020)**

1. Introduction

Practice 6.1 of the Malaysian Code on Corporate Governance (“**MCCG**”) stipulates that the Board should have in place policies and procedures to determine the remuneration of Directors and senior management, which takes into account the demands, complexities and performance of the Company as well as skills and experience required.

In addition, Guidance 6.1 of the MCCG stipulates that fair remuneration is critical to attract, retain and motivate Directors and senior management. The remuneration package should take into account the complexity of the Company’s business and the individual’s responsibilities. The remuneration should also be aligned with the business strategy and long-term objectives of the Company.

The Board should also ensure that the remuneration and incentives for Independent Directors do not conflict with their obligation to bring objectivity and independent judgment on matters discussed at Board meetings.

The Board should establish a Remuneration Committee (“**RC**”) to implement the Policies and Procedures to Determine the Remuneration of Directors and Senior Management (“**the Policy**”) to ensure the remuneration decisions are made through a transparent and independent process.

2. Remuneration Components

2.1 For Managing Director (“MD”) and Executive Director (“ED”)

The remuneration of the MD and ED is made up of salary, bonus and other benefits.

2.1.1 Salary

The salary is determined according to:-

- The scope of duties and responsibilities
- The conditions and experiences required
- The ethical values, internal balances and strategic targets of the Group
- Corporate and individual performance
- Current market rate within the industry and in comparable companies

2.1.2 Bonus

The bonus is granted to reflect the MD/ED’s performance as well as the Company’s results. A discretionary assessment is made to ensure that all factors, whether measurable or not directly measurable, are considered.

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(Policies and procedures to determine the remuneration of Directors and senior management – cont'd)

2.1.3 Other benefits

The Company may provide other benefits to the MD/ED, such as meeting allowances.

The MD/ED concerned plays no part in the decision of his own remuneration but may attend the RC meetings at the invitation of the Chairman of the RC, if his/her presence is required.

2.2 For Non-Executive Directors (“NED”)

The remuneration of NED is made up of Directors’ fees and other benefits such as meeting allowances (“**emoluments**”). The level of remuneration for NEDs shall reflect the experience and level of responsibilities undertaken by the NED concerned. The remuneration of an NED shall not be based on commission, percentage of profits, or turnover.

The NED will also entitled to claim reimbursement of expenses incurred, if any, in the course of performing their services.

The emoluments of the NED are reviewed by the RC annually. Based on recommendations from the RC, the Board shall review and recommend all NEDs’ emoluments to shareholders for approval at a General Meeting.

The NED is not entitled to receive performance-based bonuses or participate in short-term and/or long-term incentive plans, except pursuant to a resolution passed at a General Meeting.

The NED’s emolument is recommended by the Board as a whole and subject to shareholders’ approval, with the individual NED abstaining from discussion and voting in respect of his own remuneration at Board level and shareholder level.

2.3 For senior management

The remuneration of senior management is made up of salary, bonus, allowance and/or other benefits in the form of short-term and/or long-term incentive plans as determined by the MD/ED.

3. Measureable objectives

The RC shall conduct a review on an annual basis of the criteria to be used in recommending the remuneration packages and recommend them to the Board for adoption. The RC should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.

The Board is free to seek to improve one or more aspects of the remuneration packages and measure progress accordingly. On this, the Board may seek professional advice from outside sources to assist the Board in formulating an attractive compensation and benefits package that aims to attract, retain and motivate talents.

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4. Monitoring and disclosure

Disclosure of Directors' remuneration shall be made in the Company's annual report. Such report shall include details of the Directors' remuneration in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the MCGG.

5. Review of the Policy

The RC will review regularly and assess the effectiveness of the Policy. Any requirement for amendment shall be deliberated by the RC and any recommendation for revisions shall be highlighted to the Board for approval.

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