

# **HAILY GROUP BERHAD**

Registration No. 202001006412 (1362732-T)

*(Incorporated in Malaysia)*

## **TERMS OF REFERENCE FOR REMUNERATION COMMITTEE**

### **OBJECTIVES & PURPOSES**

The Board's Remuneration Committee ("RC" or "the Committee") is established as a Committee of the Board pursuant to Clause 145 of the Company's Constitution.

### **I. COMPOSITION & APPOINTMENT**

1. The members of the RC shall be appointed by the Board of Directors ("Board") from among the members of the Board. The Chairman of the Board shall not be a member of the RC, with reference to Practice 1.4 of the Malaysian Code on Corporate Governance 2021 ("MCCG").
2. The members of the RC shall comprise exclusively of Non-Executive Directors, a majority of whom shall be Independent Directors as defined in Bursa Malaysia Securities Berhad's ("Bursa Securities") ACE Market Listing Requirements ("ACE LR") and shall consist of a minimum of not less than three (3) members. The appointment and position of a RC member shall automatically terminate when he ceases to be a member of the Board of Directors.
3. No Alternate Director shall be appointed as a member of the RC.
4. The chair of the RC should be an Independent Director identified by the board.
5. The effectiveness of the Committee shall be assessed by the Board, through the Nominating Committee on an annual basis.

### **II. RESPONSIBILITIES**

1. The Committee shall review and recommend to the Board the remuneration package of the Executive Directors, Key Management Personnel and where applicable, Senior Management which should be aligned with the business strategy and long term objectives of the Company. Any member of the Committee who is an executive director must not participate in the deliberation and any decision on his/her own remuneration.
2. The remuneration of non-executive directors will be a matter to be decided by the Board as a whole taking into account, the responsibilities, expertise and commitment, with the director concerned abstaining from the discussion and voting on decisions on his/her own remuneration.
3. To review annually the performance of the Directors and recommend to the Board the specific adjustments in remuneration/ reward payments and for directors' fees and benefits, to be tabled and passed at a general meeting.

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4. To formulate policies, guidelines and set criteria for remuneration packages for the Directors, Key Management Personnel and where applicable, Senior Management and to ensure that they are fairly and appropriately remunerated according to the general market sentiments or conditions.
5. To review and recommend to the Board the compensation payable to the Directors, Key Management Personnel and where applicable, Senior Management in connection with any loss or termination of their office or appointment or arrangements relating to dismissal or removal for misconduct and to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company.
6. To ensure that all remuneration packages and benefits given to the Directors, Key Management Personnel and where applicable, Senior Management are in compliance with the laws, rules, requirements, regulations and guidelines set by the relevant authorities and our Board from time to time.
7. The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board, Key Management Personnel and where applicable, Senior Management.
8. The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.
9. To review policies in relation to human resources, compensation and management systems of the Company. Thereafter, assess and review the implementation of the relevant policies and management systems of the Company.
10. To consider/examine/assess any other matters as the RC considers appropriate.

### **III. POWER & AUTHORITY**

The RC has the power and authority to examine all issues as stated in its Terms of Reference and report to the Board with its recommendations.

In carrying out its duties and responsibilities the RC shall at the cost fully borne by the Company:

1. Have full and unrestricted access to the Company's resources, records, properties and personnel.
2. Be able to engage independent external professional advisers or consultants.
3. Be able to secure the attendance of outsiders with relevant experience and expertise.

### **IV. PROCEDURE FOR RC**

1. The RC may meet together for the dispatch of business, adjourn and subject to Clauses 145 to 147 of the Company's Constitution otherwise regulate their meetings as they think fit, provided that the Committee shall meet at least once a calendar year.

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2. A member of RC, may participate in a meeting of the RC by means of a conference telephone, electronic or any communication facilities which allows all persons participating in the meeting to hear each other. A participant shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly notwithstanding the fact that he is not physically present at the venue where the meeting is to be held. The meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
3. Any member of the RC may at any time and the Secretary shall on such request summon a meeting of the RC.
4. At least seven (7) day's written notice of a meeting of a RC shall be given to all RC Members at his last known address or other address given by him. The RC Members may meet on shorter notice and waive notice of any meetings as they deem necessary subject to the consent and agreement of all RC Members.
5. The quorum necessary for the transaction of business shall be two (2) comprised of a majority of Independent Non-Executive Directors.
6. Questions arising at any meeting shall be determined by a majority of votes of the members present and a determination by a majority of members shall for all purposes be deemed a determination of the RC.
7. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote PROVIDED THAT where two (2) members form a quorum, the chairman of the meeting at which only such a quorum is present, or at which only two members are competent to vote on the question at issue, shall not have a casting vote.
8. The RC shall cause minutes to be duly entered into minutes books provided for the purposes:-
  - of the names of all RC members and other participants of each meeting of the RC;
  - of all resolutions and proceedings of the RC Meetings; and
  - of all orders, recommendations and reports made by the Committee.Such minutes shall be signed by the Chairman of the RC at which the proceedings were held or by the Chairman of the next succeeding meeting, and if so signed, shall be conclusive evidence without any further proof of the facts therein stated.
9. The books containing the minutes of the proceedings of the RC shall be kept by the Company at the Registered Office of the Company subject to the provisions of the Companies Act 2016, relating to keeping the minutes of the Board of Directors and any committee of the Board of Directors.

## **V. SECRETARY**

The Company Secretary shall be the Secretary of the RC ("Secretary"). The Secretary shall minute the proceedings and decisions of the RC's meetings and the minutes shall be circulated to the members of the RC and directors who are not members of the RC.

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**VI. REVIEW**

The RC will review its Terms of Reference at least once every three (3) years or as and when the need arises to keep it current and relevant at all times with the MCCG and Bursa Securities's ACE LR.

*This Terms of Reference was approved and adopted by the Board on 2 September 2020.*

*This Terms of Reference was last reviewed and approved by the Board on 23 February 2022.*