

22 February 2022

**TERMS OF
REFERENCE
(TOR)
REMUNERATION
COMMITTEE**

Terms of Reference Remuneration Committee

1. Introduction

- 1.1 The Board of Directors (the "Board") of Nova Wellness Group Berhad ("NWGB" or the "Company") has established a Remuneration Committee ("RC" or the "Committee") drawn from amongst its members. This Terms of Reference ("TOR") sets out the matters concerning the governance of the RC.
- 1.2 This TOR is established pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and is approved by the Board.

2. Objectives

- 2.1 To assist the Board to fulfill its responsibilities with regards to:
 - 2.1.1 The RC will be responsible for reviewing and recommending to the Board the remuneration framework for the Executive Directors, and senior management, ensuring that remuneration is set at a coherent and competitive level to recruit, attract, retain and motivate high performing individuals and structured as to align their interests with those of the Group and its shareholders.

In defining the remuneration framework, the RC shall consider the following matters:

 - a) whether the framework provides adequate motivational incentive for Executive Directors, and senior management to pursue the long-term growth and success of the Group; and
 - b) the underlying performance of the Group in light of its business plans.

Subject to the above, the remuneration of Non-Executive Directors shall be a matter for the Chairman/person and the executive members of the Board provided that no Director shall be involved in any decision as to his/her own remuneration.
 - 2.1.2 review the performance of, and recommend to the Board for approval the annual total remuneration packages which include salaries, incentives, perks and benefit-in-kind, compensation for loss or termination of office or appointment of the Executive Directors and Senior Management;
 - 2.1.3 determine and set performance measures for incentive plans;
 - 2.1.4 review and recommend the remuneration of Non-Executive Directors to the Board; and
 - 2.1.5 communicate with shareholders on executive remuneration.

3. Composition

- 3.1 The RC members shall be appointed by and from the Board of NWGB and shall comprise not less than three (3) members of which majority must be Independent Non-Executive Directors.
- 3.2 The RC shall elect a Chairman from amongst its members and the elected Chairman shall be an Independent Non-Executive Director. The Chairman of the Committee shall not be the Chairman of the Board.
- 3.3 The term of office and performance of the RC and each of its members shall be reviewed by the Nomination Committee and the Board annually to determine whether the members have carried out their duties in accordance with the TOR.

- 3.4 In the event a member/chairman of the RC resigns, demise or for any reason ceases to be a member/chairman, resulting in RC membership conditions not being fulfilled, the Board shall upon the recommendation of the Nomination Committee, appoint such number of new members/chairman as may be necessary to fulfil the requirements within three (3) months of the event.

4. Authority

- 4.1 The Board authorizes the RC, within the scope of its duties and responsibilities set out in this TOR to:
- 4.1.1 have the resources which are required to perform its duties;
 - 4.1.2 have full and unrestricted access to information, records, properties and personnel within the Group;
 - 4.1.3 obtain relevant internal and external independent professional to assist in the proper discharge of its roles and responsibilities, advice, as it deems necessary;
 - 4.1.4 have explicit authority to review or investigate any matter within its TOR;
 - 4.1.5 to convene meetings with the external and internal auditors or both without the presence of Executive Directors and employees of the Company, whenever deemed necessary.
- 4.1.6 unless otherwise provided by or subject to any applicable laws or legislative requirements, the Committee shall have the permission to obtain resources needed to fulfil its duties and responsibilities as set out in this TOR based on an agreed-upon procedure and at the expense of the Group, such as:
- i. to appoint external counsels or other advisers and approve the terms and conditions of the appointment and obtain independent professional or other advice and services, and to invite outsiders with relevant experience to attend the RC's meetings (if required) and to brief the RC thereof if the RC considers this as necessary; and
 - ii, full and unrestricted access to information concerning the Group (paragraph 15.04 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad).

5. Secretary

- 5.1 The Company Secretary or his/her representative shall act as the secretary of the RC (the "Secretary").
- 5.2 The Secretary shall be present to record and minute all proceedings of the RC meetings.
- 5.3 The Secretary shall have the following responsibilities:
- 5.3.1 ensure all meetings are arranged and held accordingly;
 - 5.3.2 draw up meeting agenda in consultation with the Chairman and circulate the agenda together with the relevant papers seven (7) days prior to each meeting to enable full and proper consideration be given to issues;
 - 5.3.3 prepare the minutes of the RC meetings and record the conclusions of the RC in discharging its duties and responsibilities.
 - 5.3.4 ensure the minutes are endorsed by the Chairman before circulating promptly to all members of the RC and make the same available to Board members who are not members of the RC;

- 5.3.5 ensure that the minutes of the RC meetings are properly kept and produced for inspection if required.

6. Meetings

- 6.1 The RC shall meet at least once (1) a year, with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities. Additional meetings may be called at any time, at the discretion of the Chairman of the RC.
- 6.2 The quorum for a meeting shall be two (2) members of the RC, majority of members must be Independent Directors.
- 6.3 In the absence of the Chairman, the members present shall elect a Chairman for the meeting, who shall be an Independent Non-Executive Director from amongst the members present.
- 6.4 The Executive Director and other appropriate officer(s) may be invited to attend where their presence is considered appropriate as determined by the RC Chairman. Other Board members, employees of the Company and representatives of the internal/external auditors may attend meetings upon the invitation of the RC.
- 6.5 A member of the RC shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him. Where this causes a lack of quorum, the RC shall appoint another candidate(s) who meets the membership criteria.
- 6.6 A member of RC may participate in a meeting by telephone conference or video conference or any other means of audio-visual communications, and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 6.7 The notice and agenda for each RC meeting shall be sent to all members of the RC and invitees who may be required to attend seven (7) days prior to each of the RC meeting.
- 6.8 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.
- 6.9 Subject to 6.1 above, in appropriate circumstances, the RC may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the RC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.

7. Responsibilities and Duties

In fulfilling its primary objectives, the RC undertakes, amongst others, the following responsibilities and duties:

- 7.1 The Remuneration Framework
 - 7.1.1 set and review the parameters of the framework:
 - a) to provide assistance to our Board in establishing the policy and framework for the Directors' remuneration and the remuneration of certain senior management personnel, including the setting of their key performance indicators;
 - b) to ensure that the Group's remuneration and incentive policies, practices and key performance indicators are appropriately established and are aligned with the Group's vision, values and business objectives and market trends;

- c) to provide assistance to the Board on matters relating to, amongst others, management grievances, compensation strategy, management development and other compensation arrangements; and
 - d) to ensure corporate accountability and governance in respect of the Board remuneration and compensation.
- 7.2 Executive Directors' Remuneration
 - 7.2.1 review and recommend to the Board the remuneration of any Executive Directors and Senior Management within the Group.
- 7.3 Non-Executive Directors' Remuneration
 - 7.3.1 review and recommend to the Board the fees for Non-Executive Directors taking into consideration responsibilities undertaken such as acting as Board Chairman, Chairman of a Board Committee or as the Senior Independent Director.
- 7.4 Group Managing Director and Senior Management's Remuneration
 - 7.4.1 determine and recommend to the Board the appropriate remuneration of Group Managing Director and key personnel taking into consideration the need to attract and retain the best candidates and incentives to motivate staff.
- 7.5 Disclosure of Remuneration of Directors, Group Managing Director and Senior Management
 - 7.5.1 ensure that remuneration for all Directors, Group and Senior Management are disclosed in the Annual General Report;
 - 7.5.2 the Chairman of the RC or in his absence, another member of the RC shall attend the Annual General Meeting of the Company and be prepared to respond to questions at the meeting on the RC's work and responsibilities.
- 8. Disclosure on RC's Activities
 - 8.1 RC must ensure that NWGB provide in its annual report a statement about the activities of the RC in the discharge of its duties for the financial year.
 - 8.2 Written TOR
 - 8.2.1 RC must have a written terms of reference which deal with its authority and duties.
- 9. Review of the Terms of Reference
 - 9.1 This TOR shall be reviewed and updated by the RC on a periodic basis as it deems appropriate for the Board to approve.
 - 9.2 This TOR is made available for reference on the Company's website at <https://www.nova.my/investor-relations>