

**HAL=ON**

# **Directors Remuneration Pakistan Policy**



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## 1 Purpose & Scope

The purpose of this policy is to describe the requirement for the purpose of this policy is to support the Human Resources Remuneration & Nomination Committee ("HRR&NC") of the Board of Directors to determine and agree the remuneration of directors of Haleon Pakistan Limited ("Company") (both executive and non-executive directors including independent directors). The Company ensures that the remuneration of the Board of Directors remain market-based in accordance with their experience and expertise and with the directions provided in the Companies Act 2017 ("Act"), the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("COCG") and the Company's Articles of Association.

This policy applies to:

- Haleon Board Members Only

## 2 Definitions

**Table 2-1 Definitions**

<b>Term</b>	<b>Definition</b>
<b>Independent Director</b>	An independent director means a director who is not connected or does not have any other relationship, whether pecuniary or otherwise, with the company, its associated companies, subsidiaries, holding company or directors; and he can be reasonably perceived as being able to exercise independent business judgment without being subservient to any form of conflict of interest
<b>Non-Executive Directors</b>	A non-executive director is not from the executive management team and may or may not be independent director. Non-executive director is expected to lend an outside viewpoint to the Board of Directors of the Company. A non-executive director does not undertake to devote his whole working time to the Company and is not involved in managing the affairs of the Company. A non-executive director is not a beneficial owner of the Company or any of its associated companies or undertakings. A non-executive director does not draw any remuneration from the Company.
<b>Executive Director</b>	An executive director who is part of the executive management team and is directly involved in the decision making and day-to-day affairs of the Company. The Chief Executive Officer and Chief Financial Officer are the executive directors of the Company.
<b>General Meeting(s):</b>	The Board of Directors of the Company holds a statutory general meeting annually under the provision of section 131 of the Companies Act, 2017 or an extraordinary (or other than annual) general meeting for its shareholders to seek their approval on the ordinary or special business items as specified in the Companies Act, 2017. All directors shall attend the Company's general meeting(s). The directors do not draw any remuneration from the Company on account of their attendance at a general meeting

**Table 2-2 Abbreviations**

<b>Abbreviation</b>	<b>Full</b>
HRR&NC	Human Resources Remuneration & Nomination Committee

### **3 Requirements**

The HRR&NC shall be responsible for recommending to the Board of Directors, the structure of compensation package of directors of the Company provided that:

- No director shall determine his own remuneration,
- The levels of remuneration shall be appropriate and commensurate with the level of responsibility and expertise,
- To attract and retain directors needed to govern affairs of the Company successfully and to encourage value addition provided that it shall not be at a level that could be perceived to compromise their independence.
- The Non-Executive Directors will not be getting compensated via this mechanism as they are already compensated by Haleon group, and Non-Independent Directors shall also not be eligible for any compensation for meeting attendance.
- The Directors will not be compensated for general meetings.
- Non-Independent Directors shall not be eligible for any compensation for meeting attendance.

The remuneration of a director for performing extra services, including the holding of the office of chairperson, shall be determined by the Board of Directors.

The remuneration to be paid to any director for attending the meetings of the Board of Directors and / or a committee of directors shall not exceed the scale approved by the Board of Directors.

The HRR&NC minutes will capture from time-to-time agreements and changes in the remuneration of the Board of Directors, and will be considered binding and confidential. The remuneration of a directors for attending meetings of the Board of Directors or its Committees shall be determined from time to time and shall be approved by the Board of Directors.

#### **3.1 Non-Executive Independent Directors**

The Company will not pay any remuneration to its independent directors by way of salary except as meeting fee for attending the Board and its Committee meetings, which are defined as below:

1. Board of Directors
2. Board Audit Committee
3. Human Resource Renumeration & Nomination Committee
4. Supply Chain Executive Committee
5. Any other committee

The Director shall be provided or reimbursed for all traveling, hotel and other expenses incurred by him/her for attending meetings of the Board or its Committees or General Meetings of the Company. Any expenses incurred in connection with the Company's business will be reimbursed at actuals.

The quantum and structure of independent directors' remuneration will be reviewed based on a market survey which will be conducted every three (3) years to coincide with the retirement and election of the Board of Directors. Remuneration should be such that it does not compromise the directors' independence and should be sufficient to justify the time the independent directors commit to ensure and provide quality guidance to the Company (Please refer to Appendix 1)

The independent directors should only be compensated in accordance with the directions laid down by the Company from time to time.

## 3.2 Executive Directors and Other Key Executives

The Board of Directors may directly approve the compensation and benefits of Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit after the recommendation from the chairperson of the HRR&NC. For this purpose, the Board of Directors may devise specific criteria to identify the positions for which it will exercise the powers of directly determining compensation.

## 3.3 Process

The Committee Secretary will update through email the Corporate Secretarial and Legal Team within 3 working days with the date of the meeting and attendance report of the Committee Meeting(s) for funds to be disbursed. The ICSS P2P team will disburse the payment within stipulated timelines.

# 4 Roles & Responsibility

### DAIP Key:

ⓓ-Decision maker ⓐ-Advice giver(s) ⓘ-Informed stakeholder(s) Ⓟ-Producer(s)

Role	Responsibility and Section
HRRNC Committee Secretary	ⓓ Ⓟ Section 3.3
Corporate Secretarial & Legal Team	ⓘ Ⓟ Section 3.3
ICSS P2P Team	Ⓟ Section 3.3

# 5 References

## 5.1 Regulations & References

- Companies Act 2017
- Listed Companies (Code of Corporate Governance) Regulations, 2019
- Company's Articles of Association.

## 6 Document Revision History

### REVISION (Principal changes from last revision)

**Type of Change:**  New  Administrative changes;  
 Technical changes impacting:  
 Roles and responsibilities  
 Process or activities

**Reason for Change** Haleon Policy Required

**Description of Change** Policy moved to Haleon Format

## 7 Approval

Reviewed by/Approved By	Title	Date	Signatures
Farhan Muhammad Haroon	Chief Executive Officer & General Manager	15th July 2024	
Ensherah Khan	Secretary to HRRNC & HR Business Partner	15th July 2024	