



(the "Company")
(Stock Code:0455)

TERMS OF REFERENCE OF
THE REMUNERATION COMMITTEE

(effective on 29 December 2022)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE
(the “Committee”)

1 Constitution

- 1.1 The Committee was formed pursuant to the Board resolution of the Company passed on 14 September 2005.

2 Membership

- 2.1 The Chairman and members of the Committee shall be appointed by the Board of the Company and shall consist of not less than three members, a majority of whom should be independent non-executive directors.
- 2.2 The Chairman of the Committee should be an independent non-executive director.
- 2.3 The meetings and proceedings of the Committee are governed by the provisions contained in the articles of association of the Company for regulating meetings and proceedings of the Board.
- 2.4 The term of office of the committee members is the same as that of the directors, and if the term of office of the committee members expires, they can be re-elected. During this period, if any member ceases to serve as a director of the company, he will automatically lose his qualification as a member, and the board of directors will appoint a new member of the committee in accordance with the above paragraph 2.1.

3 Quorum

- 3.1 The quorum of meetings of the Committee shall be two or more members present in person or by telephone conference or by some other means the Committee thinks fit. Each member shall have one vote and the resolutions proposed at the meeting must be approved by a majority of all members who attend and vote at the meeting.

4 Frequency and Proceedings of meetings

- 4.1 The Committee shall hold at least one meeting each year and the meeting shall be chaired by the chairman of the Committee. In the absence of the chairman of the Committee, the other members present shall elect one of them to chair the meeting.
- 4.2 The meetings and proceedings are governed by the provisions contained in the articles of association of the Company for regulating meetings and proceedings of Directors.

- 4.3 Only members of the Committee have the right to attend the Committee meetings. However, any director, executive or other person(s) may be invited to attend the meetings when the Committee considers that their attendance can assist it to discharge its duties.
- 4.4 Meetings of the Committee may be convened by the Chairman of the Committee or at the request of the Board.

5 Authority

- 5.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 5.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

6 Duties and functions

The Committee shall have the following duties and functions:

- 6.1 To make recommendations to the Board on the Company's policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 6.2 To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 6.3 To make recommendations to the board on the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.
- 6.4 To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 6.5 To review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- 6.6 To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- 6.7 To make recommendations to the Board on the remuneration of non-executive directors;
- 6.8 To ensure that no director or any of his associates is involved in deciding his own remuneration;
- 6.9 To consult the chairman and/or the chief executive about their remuneration proposals for other executive directors. The Remuneration Committee should have access to independent professional advice if necessary;

6.10 To review matters relating to share options scheme under chapter 17 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited; and

6.11 To consider other topics as defined by the Board.

7 Reporting procedures

7.1 The Committee should report to the Board on a regular basis on its decisions or recommendations and on the matters set out in these terms of reference, unless there are legal or regulatory restrictions on its ability to do so.

7.2 Full minutes of the meetings of the Committee should be kept by the secretary of the Company, which should record in sufficient detail the matters considered and decisions reached, including any concerns raised by Committee members and dissenting views expressed. Draft and final versions of minutes of the committee meetings should be sent to all members of the Committee for their comment and records respectively within a reasonable time after the meeting.

7.3 The secretary or his representative shall circulate the minutes of meetings and reports of the Committee to all members of the Board.

8 Interpretation

Interpretation of this terms of reference shall belong to the Board.