

**HONGKONG CHINESE LIMITED**  
(the “Company”)

**TERMS OF REFERENCE**  
**OF**  
**REMUNERATION COMMITTEE**  
(the “Committee”)  
(Revised in January 2023)

**Membership**

1. The members of the Committee shall be appointed by the board (the “Board”) of directors of the Company (the “Directors”) from time to time, a majority of which shall be independent non-executive Directors.
2. The Board shall appoint an independent non-executive Director as the chairman of the Committee.
3. The Head of Group Human Resources Department of the Company or a person designated by the Committee or the Head of Group Human Resources Department shall act as the secretary of the Committee.

**Frequency and proceedings of meetings**

4. The Committee shall meet at least once every year. Additional meetings shall be held as and when necessary.
5. The chairman of the Committee may convene additional meetings at his discretion.
6. The quorum of a meeting shall be two members of the Committee.
7. The Committee may, from time to time, invite advisors and any other persons to attend all or part of any meeting, including but not limited to external advisors or consultants to advise its members.
8. Only members of the Committee are entitled to vote at the meetings.
9. A resolution in writing signed by all the members of the Committee shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
10. Proceedings of meetings of the Committee shall be governed by the provisions of the Bye-laws of the Company.

## **Duties, powers and functions**

11. The Committee shall:

- (a) consult the Chairman and/or the Chief Executive of the Company about their remuneration proposals for other executive Directors;
- (b) make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (c) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (d) either:
  - (i) determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or
  - (ii) 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;

- (e) make recommendations to the Board on the remuneration of non-executive Directors;
- (f) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (g) 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 are otherwise fair and not excessive;
- (h) 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;
- (i) ensure that no Director or any of his associates is involved in deciding his own remuneration;

- (j) to review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”);
- (k) have access to independent professional advice if necessary;
- (l) consider other topics as defined by the Board;
- (m) when the occasion arises, advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders’ approval under the Listing Rules as modified from time to time; and
- (n) review from time to time as appropriate these terms of reference and recommend to the Board any necessary changes.

### **Annual General Meeting**

- 12. The chairman of the Committee or in his/her absence, another member of the Committee shall attend the Company’s annual general meetings and be prepared to respond to shareholders’ questions on the Committee’s activities and their responsibilities.

### **Authority**

- 13. The Committee is authorized by the Board to seek information from the Company regarding the employment terms of the Directors and employees of the Group, and to seek information it requires from any employee in order to perform its duties; and
- 14. The Company shall provide the Committee with sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company’s expense, to perform its responsibilities.

### **Reporting procedures**

- 15. The Committee shall report to the Board. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.

### **Publication of the Terms of Reference**

- 16. The terms of reference will be posted on the websites of the Company and The Stock Exchange of Hong Kong Limited.

-END-