

# MADISON

— G R O U P —

**Madison Holdings Group Limited**

**麥迪森控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

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**TERMS OF REFERENCE OF  
THE REMUNERATION COMMITTEE**

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Adopted by resolution of the Board of Directors on 21 September 2015 and  
revised on 3 January 2023

**Madison Holdings Group Limited**  
**麥迪森控股集團有限公司**  
(the “Company”)

**Terms of Reference of the Remuneration Committee**

**1. Constitution**

- 1.1 The board (the “**Board**”) of directors (“**Director(s)**”) of the Company resolved to establish a remuneration committee (the “**Remuneration Committee**”) on 21 September 2015.

**2. Membership**

- 2.1 Members of the Remuneration Committee shall be appointed by the Board. The Remuneration Committee shall consist of not less than three (3) members and the majority of whom shall be independent non-executive Directors. The initial members of the Remuneration Committee were Ms. Fan Wei, Mr. Ting Pang Wan, Raymond, Mr. Chu Kin Wang, Peleus and Ms. Debra Elaine Meiburg.
- 2.2 The Board shall have the right to appoint and remove members of the Remuneration Committee. The Board shall also have the right to appoint additional members to the Remuneration Committee.

**3. Chairman**

- 3.1 The Board shall appoint a chairman (the “**Chairman**”) for the Remuneration Committee who must be an independent non-executive Director. The first Chairman was Ms. Fan Wei.
- 3.2 In the absence of the Chairman at any meeting of the Remuneration Committee, the remaining members of the Remuneration Committee present at any meeting convened in accordance with these terms of reference shall elect among the remaining members of the Remuneration Committee to act as the chairman of such meeting.
- 3.3 The Chairman may be removed at any time by the Board.

#### **4. Secretary**

- 4.1 The company secretary or his/her nominee shall act as the secretary of the Remuneration Committee. The first secretary of the Remuneration Committee was Ms. Tse Ka Yan.
- 4.2 In the absence of the secretary of the Remuneration Committee, the members of the Remuneration Committee present at the meeting shall elect another person to act as the secretary of such meeting.

#### **5. Notice**

- 5.1 Unless otherwise agreed in writing by all members of the Remuneration Committee, a meeting of the Remuneration Committee shall be called by at least seven (7) days' prior notice.
- 5.2 A member of the Remuneration Committee may and, on the request of a member of the Remuneration Committee, the secretary to the Remuneration Committee shall, at any time summon a meeting of the Remuneration Committee. Notice shall be given to each member of the Remuneration Committee orally in person or in writing or by telephone or by telex or telegram or facsimile transmission or electronic mail at the telephone or facsimile or address or electronic mail address from time to time notified to the secretary by such member of the Remuneration Committee by such other means as the members may from time to time determine. Any notice given orally shall be confirmed in writing before the meeting of the Remuneration Committee.
- 5.3 Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with the meeting papers and other documents which may be required to be considered by the members of the Remuneration Committee for the purposes of the meeting. Such notice shall be sent in full to all members of the Remuneration Committee in a timely manner and at least seven (7) days before the intended date of a Remuneration Committee meeting or such other period as agreed in writing by all members of the Remuneration Committee.

#### **6. Quorum**

- 6.1 The quorum necessary for the transaction of business shall be two (2). No business shall be transacted at any meeting of the Remuneration Committee unless a quorum of members is present at the time when the meeting proceeds to business.
- 6.2 If only two (2) members are present in any meeting of the Remuneration Committee, at least one (1) member must be an independent non-executive Director.

6.3 Other Directors who are not members of the Remuneration Committee shall have the right to attend any meetings of the Remuneration Committee, however they shall not be counted towards the quorum nor entitled to vote at such meeting.

6.4 A duly convened meeting of the Remuneration Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Remuneration Committee.

## **7. Frequency of Meetings**

7.1 Meeting of the Remuneration Committee shall be held at least once a year and at such other times as the Chairman shall require.

## **8. Minutes of Meetings**

8.1 Minutes of the Remuneration Committee should record in sufficient detail regarding the matters considered by the Remuneration Committee and decisions reached, including any concerns raised by any member of the Remuneration Committee or dissenting views expressed at the meeting. Drafts and final versions of minutes of the Remuneration Committee meetings should be sent to all members of the Remuneration Committee for their comment and records respectively, in both cases within a reasonable time after the meeting is closed.

8.2 Minutes of the Remuneration Committee meetings shall be kept by the secretary of the Remuneration Committee and shall be made available for inspection by any member of the Remuneration Committee and any Director at any reasonable time and on reasonable notice.

## **9. Written Resolutions**

9.1 Resolutions may be passed by all members of the Remuneration Committee in writing and such resolutions shall be deemed as valid and effectual as if they had been passed at a meeting of the Remuneration Committee duly convened and held.

9.2 Meetings of the Remuneration Committee may be held in person, by telephone or by teleconferencing or any other telecommunications facility provided that all participants are thereby able to communicate contemporaneously by voice with all other participants.

## 10. Duties

10.1 The duties of the Remuneration Committee shall include the following:

- (a) to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (b) to determine, with delegated responsibility, the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive Directors. The Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the group and desirability of performance-based remuneration;
- (c) to review and/or approve performance-based remuneration and discretionary bonus with reference to corporate goals and objectives resolved by the Board from time to time;
- (d) to consider and approve the grant of share options and share appreciation rights to eligible participants pursuant to the share option scheme and share appreciation rights plan of the Company and to prepare the annual plan for the grant of share appreciation rights under the share appreciation rights plan of the Company and be responsible for the day-to-day administration of the share appreciation rights plan;
- (e) to review and approve the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment 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;
- (f) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
- (g) to ensure that no Director or any of his associates is involved in deciding his own remuneration;

- (h) to advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under Rule 17.90 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("**GEM Listing Rules**");
- (i) to consult the chairman of the Board and/or the chief executive officer of the Company about their proposals relating to the remuneration of other executive Directors and the Remuneration Committee should have access to independent professional advice if necessary;
- (j) to ensure proper disclosure of the Director's remuneration in the annual report of the Company in compliance with the relevant accounting principles and the GEM Listing Rules;
- (k) to address and deal with such other matters as may from time to time be delegated by the Board to the Remuneration Committee;
- (l) to review and/or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules; and
- (m) to conform to any requirement, direction, and regulation that may from time to time be required or imposed by the GEM Listing Rules or any applicable laws.

*NOTE:* "senior management" in this paragraph 10 should refer to the same category of persons as referred to in the Company's annual report and is required to be disclosed under Rule 18.39 of the GEM Listing Rules. It is the responsibility of the Directors to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the Directors, is appropriate.

## **11. Reporting Procedures**

11.1 The Remuneration Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Remuneration Committee, the Chairman shall report the findings and recommendations of the Remuneration Committee to the Board.

11.2 The Chairman, or in the absence of the Chairman, a member of the Remuneration Committee or failing this his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to shareholders' questions.

## **12. Authority**

- 12.1 Management shall be obliged to supply to the Remuneration Committee with adequate information in a timely manner to enable it to make informed decisions. The information supplied must be complete and reliable.
- 12.2 The Remuneration Committee is authorised by the Board to act within these terms of reference. The Remuneration Committee shall have access to sufficient resources and is authorised by the Board to seek any information it requires from any employee of the Company or its subsidiaries in order to discharge its duties and all employees of the Company are directed to cooperate with any request made by the Remuneration Committee.
- 12.3 In carrying out its duties, the Remuneration Committee, if considered necessary, is authorised by the Board to obtain, at the Company's expense, expert advice from legal or other professional advisors.

## **13. Continuing applications of the articles of association of the Company**

- 13.1 The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and not inconsistent with the provisions of these terms of reference shall apply, mutatis mutandis, to regulate the meetings and proceedings of the Remuneration Committee.

## **14. Powers of the Board**

- 14.1 The Board may, subject to compliance with the articles of association of the Company and the GEM Listing Rules, amend, supplement and revoke the provisions of these terms of reference and any resolution passed by the Remuneration Committee provided that no amendments to and revocation of the provisions of these terms of reference and the resolutions passed by the Remuneration Committee shall invalidate any prior act and resolution of the Remuneration Committee which would have been valid if such provisions or resolutions had not been amended or revoked.

*Note:* If there is any inconsistency between the English and Chinese versions of these terms of reference, the English version shall prevail.