



**Ziyuanyuan Holdings Group Limited**  
**紫元元控股集團有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8223)**

**TERMS OF REFERENCE OF  
THE REMUNERATION COMMITTEE  
(THE “COMMITTEE”)**

Adopted on 13 January 2023

## **1. MEMBERSHIP**

- 1.1 Members of the Committee shall be appointed by the board (the “**Board**”) of directors of the Company.
- 1.2 The majority of the members of the Committee shall be independent non-executive directors (the “**INEDs**”).

## **2. CHAIRMAN**

- 2.1 The chairman of the Committee shall be appointed by the Board and must be an INED.

## **3. SECRETARY**

- 3.1 The company secretary (the “**Company Secretary**”) of the Company shall be the secretary of the Committee. In the absence of the Company Secretary, his/her delegate(s) or any person elected by the members present at the meeting of the Committee, shall attend the meeting of the Committee and take minutes.

#### **4. PROCEEDINGS OF THE COMMITTEE**

Unless otherwise specified hereunder, the provisions contained in the Company's Articles of Association (as amended from time to time) for regulating meetings and proceedings of directors shall apply to the meetings and proceedings of the Committee.

##### **4.1 Quorum**

4.1.1 The quorum for meetings of the Committee shall be any two members (at least one of whom should be an INED).

##### **4.2 Frequency of meetings**

4.2.1 The Committee shall hold at least one regular meeting in a year. Additional meetings of the Committee may be held as and when required.

##### **4.3 Attendance at meetings**

4.3.1 Members of the Committee may attend meetings of the Committee either in person or through other electronic means of communication or in such other manner as the members may agree.

4.3.2 The other directors, Company Secretary (or his/her delegate(s)), human resources officer and relevant senior management and persons(s) invited by a Committee member may attend meetings of the Committee from time to time where the Committee considers their presence necessary or appropriate to assist the Committee to perform its duties.

##### **4.4 Notice of meetings**

4.4.1 A meeting of the Committee may be convened by any of its members through the Company Secretary.

4.4.2 Unless otherwise agreed by all the members of the Committee, notice (containing details of the venue, time and date of the meeting) of at least 14 days shall be given for a regular meeting of the Committee. For all other meetings of the Committee, reasonable notice shall be given.

4.4.3 Agenda and accompanying supporting papers shall be sent to all members of the Committee and to other invited attendees as appropriate at least 3 days before the date of the meeting (or such other period as the members may agree).

#### **4.5 Minutes of meetings**

4.5.1 Draft and final versions of minutes of Committee meetings shall be sent to all Committee members for their comment and records within a reasonable time after the meeting.

4.5.2 Minutes of the Committee meetings shall be kept by the Company Secretary and shall be available for inspection by any member of the Committee or the Board at any reasonable time on reasonable notice.

#### **4.6 Written resolutions**

4.6.1 Without prejudice to any requirement under the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited, written resolutions may be passed and adopted by all members of the Committee.

### **5. RESPONSIBILITIES AND AUTHORITIES OF THE COMMITTEE**

5.1 The responsibilities and authorities of the Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code (the “**CG Code**”) as contained in Appendix 15 to the GEM Listing Rules (as amended from time to time).

5.2 The Committee should consult the chairman of the Board and/or chief executive officer of the Company about their remuneration proposals for other executive directors.

5.3 Without prejudice to any requirement under the CG Code, the duties of the Committee include the following:

- (a) 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;

- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) either:
  - (i) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or
  - (ii) 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;

- (d) to make recommendations to the Board on the remuneration of non-executive directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (f) 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;
- (g) 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 that are otherwise reasonable and appropriate;
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (i) to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board;

- (j) to review and/or approve matters relating to share schemes of the Company under Chapter 23 of the GEM Listing Rules; and
- (k) to conform to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by law.

5.4 The Committee shall be provided with sufficient resources to perform its duties and shall seek, at the Company's expense, independent professional advice to perform its responsibilities if necessary.

5.5 All members of the Committee shall have access to the advice and services of the Company Secretary, and separate and independent access to the Company's senior management for obtaining necessary information.

## **6. REPORTING RESPONSIBILITIES**

6.1 The Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

6.2 The Company shall disclose details of any remuneration payable to members of senior management by band in its annual reports.

## **7. ANNUAL GENERAL MEETING**

7.1 The chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the Annual General Meeting ("**Annual General Meeting**") of the Company and be prepared to respond to questions at the Annual General Meeting on the Committee's work and responsibilities.

## **8. AMENDMENTS TO TERMS AND AVAILABILITY OF TERMS**

8.1 The Committee shall, from time to time, review its own performance, constitution and terms of reference to ensure that it is operating effectively, and recommend any changes it considers appropriate to the Board for approval.

8.2 The terms may be reviewed by the Board from time to time taking into consideration the operations of the Committee and its contribution to the corporate governance of the Company, as well as any amendments to the GEM Listing Rules from time to time.

8.3 The Committee shall make available these terms by publishing them on the websites of the Stock Exchange of Hong Kong Limited and the Company.

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