



GRAND BRILLIANCE GROUP HOLDINGS LIMITED

君百延集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8372)

REMUNERATION COMMITTEE

TERMS OF REFERENCE

CONSTITUTION

1. The Board of directors (the “**Board**”) of Grand Brilliance Group Holdings Limited (the “**Company**”) has resolved to establish a Committee of the Board to be known as the Remuneration Committee (the “**Committee**”) at a meeting held on 1 March 2018.

MEMBERSHIP AND QUORUM

2. The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom should be independent non-executive directors of the Company (the “**INEDs**”). A quorum shall be two members.
3. The chairman of the Committee shall be an INED, appointed by the Board.
4. Each member shall disclose to the Committee:
 - (i) any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Committee; or
 - (ii) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Committee.

SECRETARY

5. The company secretary of the Company, or in his absence, his representative or a member of the Committee, shall act as the secretary of the Committee (the “**Secretary**”). The Committee may from time to time appoint any other person with appropriate qualification and experience as Secretary.

PROCEEDINGS OF MEETINGS

6. Any members of the Committee or other attendees may participate in a meeting of the Committee by attending in person or by means of a telephone conference or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.
7. With consent by all members of the Committee, resolutions of the Committee could be passed by written resolutions.
8. The chairman of the Board shall have the right to attend and speak at meeting of the Committee and others may be called upon or shall able to speak by prior arrangement with the chairman of the Committee.

FREQUENCY OF MEETINGS

9. Meetings shall be held not less than once a year. The Committee members may also call any meetings at any time when necessary or desirable.
10. The chairman of the Committee may convene additional meetings at his discretion.

NOTICE OF MEETINGS

11. Notice of meetings shall be given to all members of the Committee at least three working days before the meeting.

This notice may be waived from to time upon the unanimously agreement by the Committee members.

CASTING VOTE

12. Any resolution shall be passed by the majority votes of the members of the Committee who attend the meeting and a majority vote of the members present shall represent an act of the Committee.
13. In the case of an equality of votes, the Chairman of the Committee shall have the casting vote.

CONSULTATION

14. The Committee should consult the chairman and/or chief executive officer of the Company about their proposals relating to the remuneration of other executive directors of the Company. The Committee shall, at the expenses of the Company, have access to independent professional advice if considered necessary.
15. The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants, to advise its members.

AUTHORITY

16. The Committee is authorised by the Board to investigate any activity within its terms of reference and seek any necessary information which is within its scope of duties from the employees of the Company and its subsidiaries (including the members of the Board).
17. The Committee should be provided with sufficient resources to perform its duties.

DUTIES

18. The duties of the Committee shall be:
 - (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 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 consult the Chairman and/or Chief Executive (where applicable) about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice if necessary; and
- (j) to review and/or approve matters relating to share schemes under Chapter 23 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

For the purpose of paragraph 11 and paragraph 14, “**senior management**” shall refer to the same persons referred to in the Company’s annual report and required to be disclosed under rule 18.39 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

REPORTING PROCEDURES AND DISCLOSURE

- 19. The Secretary or his representative shall circulate the minutes of meetings and reports of the Committee to all members of the Board.
- 20. The Secretary shall keep all approved minutes of meetings and reports as part of Company records.
- 21. Details of any remuneration payable to members of senior management should be disclosed by band in the annual reports of the Company.

PUBLICATION OF TERMS OF REFERENCE

- 22. The Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the websites of The Stock Exchange of Hong Kong Limited and the Company.

Adopted on 10 February 2023