

CHERVON 泉峰®

Chervon Holdings Limited
泉峰控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 2285)

**Terms of Reference of
the Remuneration Committee
of the Board of the Company**

Adopted on December 8, 2021

DEFINITIONS

In these terms of reference, unless the context otherwise requires, the following terms have the meanings set out below:

“associates”	shall have the same meaning as that defined under the Listing Rules;
“Board”	means the Board of Directors of the Company;
“Committee”	means the Remuneration Committee of the Board of the Company;
“Company”	means Chervon Holdings Limited;
“Directors”	means the directors of the Company, and “Director” means any one of them;
“Group”	means the Company and its subsidiaries;
“Independent Non-executive Directors”	means non-executive Directors meeting the requirements of independence set out in the Listing Rules, and “Independent Non-executive Director” means any one of them;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time;
“senior management”	means the persons referred to in the Company’s corporate communications as senior management from time to time; and
“Shareholders”	means the shareholders of the Company from time to time.

Members

1. The Committee shall comprise not less than three Directors, the majority of whom shall be Independent Non-executive Directors.
2. The chairperson of the Committee shall be appointed by the Board and shall be an Independent Non-executive Director.
3. The secretary of the Committee shall be the Company's company secretary or any person designated as such by the Committee from time to time.

Proceedings

4. The quorum for meetings of the Committee shall be two members.
5. The chairperson of the Committee may convene meetings at his discretion, but in any event meetings of the Committee are to be held not less than once every year, or at such frequency as required under the Listing Rules or other regulatory requirements applicable to the Company from time to time.

Annual general meetings

6. The chairperson of the Committee (or in his/her absence, his/her duly appointed delegate) shall attend the Company's annual general meeting and be prepared to respond to any Shareholders' questions on the Committee's activities.

Authority

7. The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
8. The Committee is authorized by the Board to obtain outside legal or other independent professional advice at the Company's expense and to secure the attendance of any person with relevant experience and expertise at Committee meetings as it considers appropriate.

Duties

9. The duties of the Committee are:
 - 9.1 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;
 - 9.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

- 9.3 to make recommendations to the Board on the remuneration packages of individual 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;
- 9.4 to make recommendations to the Board on the remuneration of the non-executive Directors;
- 9.5 to consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management and employment conditions elsewhere in the Group, and to evaluate and benchmark compensation in the different functions, zones and business unit;
- 9.6 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;
- 9.7 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;
- 9.8 to ensure that no Director or any of their associates is involved in deciding that Director's own remuneration;
- 9.9 to consult with the Company's chairperson and/or the president/managing director/chief executive officer about their remuneration proposals for other executive Directors;
- 9.10 to determine the remuneration packages needed to attract, retain and motivate executive Directors and senior management of the quality required to run the Company successfully, but avoid paying more than necessary;
- 9.11 to prepare and submit for approval to the Board the annual remuneration report, to be included in the annual report and submitted for approval to the ordinary Shareholders' Meeting; and
- 9.12 to consider all other matters as referred to the Committee by the Board.

Miscellaneous

10. Minutes of meetings of the Committee shall record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed and shall be kept by the secretary to the meetings of the Committee and the Company's company secretary and shall be open for inspection at any reasonable time on reasonable notice by any Director. The secretary to any meeting of the Committee shall circulate the minutes of the meeting of the Committee for which he has acted as secretary in draft and final forms to all members of the Committee within a reasonable time after such meeting is held.
11. The Committee shall report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so.
12. The Committee shall make these terms of reference available by inclusion on the websites of the Company and The Stock Exchange of Hong Kong Limited in order to explain its role and the authority delegated to it by the Board.