



DA YU FINANCIAL HOLDINGS LIMITED

大禹金融控股有限公司

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

**(Stock Code: 1073)**

## **TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

### **Constitution**

The board of directors (the “Board”) of Da Yu Financial Holdings Limited (the “Company”) resolved to establish a committee of the Board to be known as the remuneration committee (the “Committee”).

### **Composition and Quorum**

The Committee members shall be appointed by the Board amongst the directors of the Company. A majority of the Committee members should be independent non-executive directors.

Members : The Committee shall consist of not less than 3 members

Quorum : 2

The chairman of the Committee should be independent non-executive director.

The meetings and proceedings are governed by the provisions contained in the articles of association of the Company for regulating meetings and proceedings of directors.

### **Authority**

1. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
2. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

### **Duties**

The duties of the Committee shall include: —

- (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 recommend to the Board the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;

- (c) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This shall include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (e) to review and recommend to the Board 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;
- (f) to review and recommend to the Board 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;
- (g) to make recommendations to the Board on the remuneration of non-executive directors;
- (h) to ensure that no director or any of their associates is involved in deciding that director's own remuneration;
- (i) to consult the chairman and/or the chief executive about their remuneration proposals for other executive directors and have access to independent professional advice if necessary;
- (j) to review and/or recommend to the Board 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) 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 legislation or the Listing Rules where appropriate; and
- (l) to consider other topics, as defined by the Board.

### **Reporting Procedures**

1. At the next meeting of the Board following a meeting/written resolutions of the Committee, the chairman of the Committee or, in his absence, the other member of the Committee, shall report the findings, decisions or recommendations of the Committee to the Board, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).
2. The secretary or his representative shall circulate the minutes of meetings/written resolutions of the Committee to all members of the Board.

16 November 2022