

PARADISE ENTERTAINMENT LIMITED
滙彩控股有限公司*
(the “Company”)
(Incorporated in Bermuda with limited liability)
(Stock Code: 1180)

TERMS OF REFERENCE
OF
REMUNERATION COMMITTEE
(the “Committee”)
(Revised on 21 December 2022)

Membership

1. The Committee shall consist of not less than three members appointed by the board (the “Board”) of directors (the “Director(s)”) of the Company from time to time, a majority of which shall be independent non-executive Directors.
2. The Board shall nominate one of the members, who is also an independent non-executive Director, as the chairman of the Committee.
3. The company secretary of the Company shall act as the secretary of the Committee.

Frequency and proceedings of meetings

4. The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.
5. The chairman of the Committee may convene additional meetings at his discretion.
6. The quorum of a meeting shall be two members of the Committee.
7. 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 at the expense of the Company if necessary.
8. Proceedings of meetings of the Committee shall be governed by the provisions of Bye-law 121 of the Bye-Laws of the Company.

Duties, powers and functions

9. The Committee shall –
 - (a) review and/or approve incentive schemes and Directors’ service contracts and fixing the remuneration packages for all Directors and senior management; formulate remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, employment conditions, and responsibilities, and individual performance of the Directors, senior management, and the general staff. Performance shall be measured against corporate goals and objectives resolved by the Board from time to time; and implement the remuneration policy laid down by the Board;

** For identification purposes only*

- (b) without prejudice to the generality of the foregoing:
- (i) establish guidelines for the recruitment of the Chief Executive and senior management;
 - (ii) recommend to the Board the policy and structure for the remuneration of Directors (including non-executive Directors, and the Chief Executive) and senior management and any changes thereof whilst ensuring no Director or any of his associates is involved in deciding his own remuneration;
 - (iii) determine the remuneration of executive Directors (including the Chief Executive) and senior management, including benefits in kind, pension right, compensation payment (including compensation for loss of office or appointment etc). The Chairman and/or the Chief Executive shall be consulted respectively about their proposals relating to the remuneration of other executive Directors and/or senior management, as the case may be;
 - (iv) review and approve the compensation arrangements of Directors and senior management in connection with any loss or termination of their office or appointment, or dismissal or removal for misconduct which shall be fair, reasonable and not excessive;
 - (v) determine the criteria for assessing employee performance, which should reflect the Company's business objectives and targets;
 - (vi) consider the annual performance bonus for executive Directors, senior management, and the general staff, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendations to the Board;
 - (vii) engage such external professional advisors to assist and/or advise the Committee on issues as it considers necessary at the expense of the Company;
 - (viii) 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;
 - (ix) consider the level of remuneration required to attract and retain Directors to manage the Company successfully;
 - (x) in respect of any of proposed service contracts of Directors which require approval of the Company's shareholders (the "Shareholders") in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), make recommendations as to whether the terms are fair and reasonable and whether such contracts are in the interests of the Company and the Shareholders as a whole;
 - (xi) review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules (as amended from time to time); and

- (xii) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board.

Reporting Procedures

10. The Committee shall review these terms of reference and report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.

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