



CHINA ASIA VALLEY GROUP LIMITED

Terms of Reference for Remuneration Committee

(Revised and adopted by the Company pursuant to the Board resolutions passed on 21 December 2022)

Purpose

1. The purpose of the Remuneration Committee is to assist the board of directors (the “**Board**”) of China Asia Valley Group Limited (the “**Company**”) in determining the policy and structure for the remuneration of executive directors, evaluating the performance of executive directors and senior management, reviewing incentive schemes and directors’ service contracts and fixing the remuneration packages for all directors and senior management.

Composition

2. The Remuneration Committee shall be appointed by the Board from time to time and shall consist of not less than three directors, a majority of which shall be independent non-executive directors who shall meet and maintain the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). A quorum shall be two members, one of whom must be an independent non-executive director. The Board shall appoint one member of the Remuneration Committee as the chairman (the “**Chairman**”).
3. Each member of the Remuneration Committee shall disclose to the Remuneration Committee:
 - (a) any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Remuneration Committee; or
 - (b) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Remuneration 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 Remuneration Committee.

Meetings

4. The Remuneration Committee shall meet at least annually, or more frequently if circumstances require.
5. The Chairman (or in his or her absence, a member designated by the Chairman) shall preside at all meetings of the Remuneration Committee. The Chairman shall be responsible for leading the Remuneration Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.

6. The company secretary of the Company (the “**Company Secretary**”) or his/her delegate shall be the secretary of the Remuneration Committee.
7. Meetings of the Remuneration Committee may be held in person or by way of electronic means, including telephone conferences.
8. Written resolutions may be passed by all members in writing. This provision is without prejudice to any requirement under the Listing Rules for a Board or Remuneration Committee meeting to be held.

Access

9. The Remuneration Committee shall have full access to management and may invite members of management or others to attend its meetings.

Reporting Procedures

10. The Remuneration Committee shall evaluate and assess the effectiveness of the Remuneration Committee and the adequacy of these terms of reference on an annual basis and recommend any proposed changes to the Board.
11. Minutes of meetings of the Remuneration Committee and the record of individual attendance at such meetings shall be prepared by the Company Secretary which shall be sent to all members of the Board as soon as practicable after the conclusion of any meeting of the Remuneration Committee.

Authority

12. The Remuneration Committee is authorised to seek any information it requires from any employee of the Company, and all employees of the Company are directed to co-operate with any request made by the Remuneration Committee.
13. The Remuneration Committee is authorized by the Board to consult the chairman and/or the chief executive officer of the Company about their remuneration proposals for executive directors and members of senior management, the emolument policies and the basis for determining such emoluments. It shall ensure that no director should be involved in deciding his own remuneration.
14. The Remuneration Committee is authorized by the Board to obtain professional advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company if necessary.
15. The Remuneration Committee shall be provided with sufficient resources to discharge its duties.

Responsibilities and Duties

16. The Remuneration Committee shall perform the following duties:
- (a) to make recommendations to the Board on the Company's policy and structure for remuneration of all directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
 - (b) to make recommendations to the Board on the remuneration packages of all 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;
 - (c) to consider salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions of the Company and its subsidiaries and the desirability of performance-based remuneration. The Remuneration Committee shall also ensure that the levels of remuneration should be sufficient to attract and retain the directors needed to run the Company successfully but should avoid paying more than is necessary for this purpose;
 - (d) to review and approve the management's remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
 - (e) to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
 - (f) to make recommendations to the Board on the remuneration of non-executive directors;
 - (g) to review and approve compensation arrangements relating to the dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
 - (h) to ensure that no director or any of his associates is involved in deciding his own remuneration;
 - (i) to advise shareholders of the Company on how to vote with respect to any service contracts of directors that require shareholders' approval in accordance with the Listing Rules;
 - (j) to review and/or approve matters relating to share schemes of the Company under Chapter 17 of the Listing Rules; and
 - (k) to consider and implement other matters, as defined or assigned by the Board or otherwise required by the Listing Rules from time to time.
17. For the purpose of these terms of reference, "senior management" should refer to the same persons as referred to in the Company's annual report and is required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules.

General

18. The Remuneration Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on The Stock Exchange of Hong Kong Limited's website and the Company's website.