

Midland Holdings Limited

美聯集團有限公司

(Incorporated in Bermuda with limited liability)

(the “Company” and, together with its subsidiaries, the “Group”)

(Stock Code: 1200)

Terms of Reference for Remuneration Committee

1. Overall Objectives

The remuneration committee (the “Committee”) is appointed by the board of directors (the “Directors”) of the Company (the “Board”) to, within agreed terms of reference, evaluate and make recommendations to the Board on the Group’s remuneration policy and has a delegated authority to review and determine the remuneration packages of the Executive Directors and the senior management. These terms of reference have been prepared in compliance with relevant code provisions of the Corporate Governance Code (the “Code”) under Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. Authority

The Committee shall consult the chairman of the Board, the chief executive officer and/or managing director(s) of the Company about the remuneration proposals for other Executive Directors. The Committee is authorised by the Board to undertake any activity within its terms of reference. In connection with its duties, the Committee is authorised by the Board to seek appropriate professional advice and sufficient resources inside and outside the Group, at the Company’s expense, as and when it considers necessary in order to perform its duties and responsibilities.

3. Organisation

3.1 Membership

3.1.1 The Committee members and the chairman of the Committee shall be appointed by the Board. The chairman of the Committee shall be an Independent Non-executive Director (“INED”).

3.1.2 The Committee shall comprise at least three members and the majority of the members of the Committee shall be INEDs.

3.1.3 A quorum of any meeting shall be two Committee members and one of whom must be an INED.

3.1.4 The secretary of the Committee shall be the company secretary of the Company.

3.2 Proceedings of Meetings

- 3.2.1 Only Committee members are entitled to attend meetings. The Committee may invite such other person such as the Directors, human resources manager and external advisers to attend its meeting.
- 3.2.2 Meetings shall be held whenever the chairman of the Committee deems it necessary but not less than once a year.
- 3.2.3 Notice of any meetings has to be given at least 14 days prior to any such meeting being held, unless all Committee members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Committee member shall be deemed waiver of the requisite length of notice by such member. Notice of any adjourned meeting is not required if adjournment is for less than 14 days.
- 3.2.4 The secretary of the Committee shall circulate the agenda and supporting documentation to the Committee members a reasonable period in advance of or as soon as possible before each meeting.
- 3.2.5 The quorum for decisions of the Committee shall be two Committee members and one of whom must be an INED.
- 3.2.6 Resolutions of the Committee shall be passed by a majority of votes. In case of an equality of votes the chairman of the Committee shall have a second or casting vote.
- 3.2.7 A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
- 3.2.8 The secretary of the Committee shall circulate the minutes of meetings to members of the Committee. Minutes shall be kept by the secretary and shall be open for Directors' inspection.

3.3 Annual General Meeting

The chairman of the Committee or in his/her absence, another member of the Committee, shall attend the Company's Annual General Meeting and be prepared to respond to shareholders' questions on the Committee's activities and their responsibilities.

4. Responsibilities

4.1 Duties

- 4.1.1 To formulate and make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration.

- 4.1.2 To make recommendations to the Board on the establishment of a formal and transparent procedure for developing remuneration policy.
- 4.1.3 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, which should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on the remuneration of Non-executive Directors. The Committee should consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group.
- 4.1.4 To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives resolved by the Board from time to time.
- 4.1.5 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.
- 4.1.6 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.
- 4.1.7 To ensure that no Director or any of their associates is involved in deciding that Director's own remuneration.
- 4.1.8 To review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.
- 4.1.9 To review the remuneration policy for Directors from time to time and make recommendations on any proposed revisions for the Board's review.
- 4.1.10 The Committee shall exercise such other powers, authorities and discretions, and perform such other duties, of the Directors in relation to the remuneration of the Executive Directors and senior management as the Board may from time to time delegate to it, having regard to the Code.

4.2 Reporting

The Committee shall report to the Board its activities as the Board may require from time to time.

Revised on 28 December 2022

Note: In case of any discrepancy or inconsistency between the English version and the Chinese translation of this document, the English version shall prevail.