

# **S.A.S. DRAGON HOLDINGS LIMITED**

## **Terms of reference of Remuneration Committee**

**adopted by the Board of Directors on 30 March 2012**

**and**

**amended and adopted by the Board on 29 December 2022**

A. **Constitution**

A.1 The Remuneration Committee was set up by the Board on 30 June 2005.

A.2 These terms of reference with the authority and duties of the Remuneration Committee were approved by the Board on 30 March 2012 and amended and adopted by the Board on 29 December 2022 which superseded previously adopted terms of reference. The Board has the authority to review and amend the terms of reference from time to time.

B. **Membership**

B.1 Members of the Remuneration Committee shall be appointed by the Board after considering the recommendations of the Nomination Committee. The Remuneration Committee shall consist of a minimum of three Members, a majority of whom are independent non-executive Directors (Listing Rule 3.25) .

B.2 The Board shall appoint the chairman of the Remuneration Committee. The Remuneration Committee must be chaired by an independent non-executive Director (Listing Rule 3.25).

B.3 The company secretary of the Company or a nominee shall be the secretary of the Remuneration Committee.

C. **Remuneration Committee Meetings**

C.1 Unless otherwise stipulated herein, the meetings and proceedings of the Remuneration Committee shall be governed by the provisions contained in the bye-laws of the Company for regulating the meetings and proceedings of Directors. Unless otherwise determined by the Board, the quorum for meeting of the Remuneration Committee shall be two Members.

C.2 The Remuneration Committee meetings should be held at least annually. It is expected that the Remuneration Committee meetings will normally involve the active participation, either in person or through other electronic means of communication.

C.3 Arrangements should be in place to ensure that all Members are given an opportunity to include matters in the agenda for regular

Remuneration Committee meetings.

- C.4 Seven days' notice or such shorter notice as may be agreed by members will be given by the secretary specifying the place, date, time and agenda of the meeting.
- C.5 All Members should have access to the advice and services of the secretary of the Remuneration Committee with a view to ensuring that Remuneration Committee procedures, and all applicable rules and regulations, are followed.
- C.6 Full minutes of the Remuneration Committee meetings should be kept by the secretary of the Remuneration Committee and such minutes should be open for inspection at any reasonable time on reasonable notice by any Member or Director. Draft and final versions of minutes of the meetings should be sent to all Members for their comment and records within a reasonable time after the meeting.
- C.7 If a Member has a conflict of interest in a matter to be considered by the Remuneration Committee which the Remuneration Committee has determined to be material, the matter should be dealt with by way of Remuneration Committee meeting and the interested Member shall not vote at the relevant meeting of the Remuneration Committee.
- C.8 A resolution in writing signed by all Members for the time being shall be as effective for all purposes as a resolution of the Members passed at a meeting duly convened, held and constituted.

**D. Authority**

- D.1 The Remuneration Committee is authorized by the Board to perform any activity within its terms of reference.
- D.2 The Remuneration Committee should consult the chairman and/or chief executive about their remuneration proposals for other executive Directors. The Remuneration Committee should have access to independent professional advice if necessary ( E.1.1).
- D.3 The Remuneration Committee should be provided with separate independent professional advice to Members to assist the relevant Members(s) to perform his/their duties.

D.4 The Remuneration Committee should be provided with sufficient resources to perform its duties ( E.1.4).

**E. Duties**

E.1 The duties of the Remuneration Committee shall include the following:

- (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. No director should be involved in deciding his own remuneration ( E.1.2 (a));
- (b) To review and approve the management's remuneration proposals with reference to the board's corporate goals and objects ( E.1.2 (b));
- (c) To make recommendations to the board on the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment ( E.1.2(c));
- (d) To make recommendations to the board on the remuneration of non-executive Directors ( E.1.2 (d));
- (e) To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group ( E.1.2 (e));
- (f) 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 ( E.1.2 (f));
- (g) To review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they consistent with contractual terms and are otherwise reasonable and appropriate ( E.1.2 (g));

- (h) To ensure that no Director or any of their associates is involved in deciding that director’s own remuneration ( E.1.2 (h));
- (i) The Company should disclose details of any remuneration payable to members of senior management by band in our annual reports ( E.1.5);
- (j) The Remuneration Committee shall form a view in respect of service contracts that require shareholders’ approval and advise shareholders of the Company (other than shareholders who are Directors with a material interest in the service contracts and their associates) as to whether the terms are fair and reasonable, advise whether such contracts are in the interests of the Company and its shareholders as a whole and advise shareholders on how to vote. An independent non-executive Director who has a material interest in any such contracts shall not sit on the independent board committee (Listing Rule 13.68);
- (k) The chairman of the Remuneration Committee shall, as far as practicable, attend the annual general meeting of the Company and be prepared to respond to any shareholder’s questions on the Remuneration Committee’s activities. (F.2.2); and
- (l) To review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

**F. Reporting procedures**

- F.1 The secretary of the Remuneration Committee shall circulate the minutes of Remuneration Committee meetings, reports of the Remuneration Committee and relevant information to all Directors.
- F.2 The Remuneration Committee should report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements) (C.4.2).

- “Board” : board of Directors
- “Chairman” : chairman of the Board
- “Company” : S.A.S. Dragon Holdings Limited

- “CP” : Code Provision of Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules
- “Director(s)” : director(s) of the Company
- “Listing Rules” : Rules Governing the Listing of Securities on the Stock Exchange
- “Member(s)” : member(s) of the Remuneration Committee
- “Remuneration Committee” : remuneration committee of the Company
- “Stock Exchange” : The Stock Exchange of Hong Kong Limited

*Note: This terms of reference is published in both English and Chinese. English version prevails in case of any inconsistency.*