

PARKSON 百盛
PARKSON RETAIL GROUP LIMITED
百盛商業集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 3368)

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE
(Adopted by the Company pursuant to the Board resolution passed on 20 December 2022)

1. Objectives

The Remuneration Committee shall review and develop, for the endorsement of board of Directors (the “Board”) of the Company, the Company’s policy on remuneration for its Directors (including executive Directors) and members of its Audit Committee.

It shall provide a medium of public accountability, which is not controlled by the Company’s management.

2. Membership

The Remuneration Committee shall consist of three members. Two of them are to be selected by the Board from amongst its independent non-executive Directors and one from amongst its executive Directors.

The chairman of the Remuneration Committee must be an independent non-executive Director appointed by the Board.

A quorum shall be a simple majority of the Directors who are members of the Remuneration Committee.

3. Frequency of meetings

The Remuneration Committee shall meet at least once a year and at such other times as its chairman shall require.

4. Notice of Meetings

Meetings of the Remuneration Committee shall be called by its chairman or at the request of the Board.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with the agenda of items to be discussed, shall be issued to each member of the Remuneration Committee and any other person required to attend no fewer than three working days prior to the date of the meeting (or such other period as the members may agree).

5. Attendance at meetings

The Remuneration Committee may request any Director, any member of Senior Management (including a senior member of the human resources department) or any other individual to attend its meetings.

The Company Secretary or his nominee shall be the secretary of the Remuneration Committee.

6. Minutes of meetings

Draft and final versions of the minutes of the Remuneration Committee meetings shall be sent to all the Remuneration Committee members for their comments and records within a reasonable time after the meetings.

Minutes of the Remuneration Committee shall be kept by the Company Secretary and shall be available for inspection by any member of the Remuneration Committee or the Board at any reasonable time on reasonable notice.

7. Written resolutions

Without prejudice to any requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), written resolution may be passed and adopted by all members of the Remuneration Committee.

8. Responsibilities and authorities

The responsibilities and authorities of the Remuneration Committee shall include such responsibilities and authorities set out in the relevant code provision of the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 of the Listing Rules (as amended from time to time).

The Remuneration Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it reasonably requires from any employee in order to perform its duties. All employees are directed to co-operate with any reasonable request made by the Remuneration Committee.

The Remuneration Committee is authorised by the Board, at the Company’s expense, to appoint legal or other independent professional advisers with relevant experience and expertise (including remuneration consultants) to assist the Remuneration Committee, to secure the attendance of such professional advisers at its meetings if it considers it necessary and to obtain reliable, and up-to-date information about remuneration in other companies. The Remuneration Committee shall have full authority to commission any reports or surveys which it considers necessary to help it in fulfilling its obligations.

The Remuneration Committee is authorised to require management to provide it with such resources as may be necessary for it to discharge its duties.

The Remuneration Committee shall consult the Chairman and/or Chief Executive Officer about their proposals relating to the remuneration of other executive Directors.

9. Duties

Without prejudice to any requirement under the CG Code, the Remuneration Committee shall have the following specific duties:

9.1 Compensation Policies

- (A) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

9.2 Remuneration and compensation decisions

- (A) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This include benefits in kind, pension rights and compensation payments;
- (B) to make recommendations to the Board on the remuneration of non-executive Directors;
- (C) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company;
- (D) to review and approve the senior management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (E) to review and approve the 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 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; and
- (G) to review and/or approve matters relating to share scheme under Chapter 17 of the Listing Rules, including any grants of options or awards to the Directors or senior management.

9.3 Compliance

- (A) to ensure that no Director or any of his associates is involved in deciding his own remuneration; and
- (B) to determine, prior to the beginning of each financial year, the details of any performance-related remuneration on a group-wide basis. Following each financial year the Remuneration Committee shall review the performance against these targets.

10. Annual general meeting

The chairman of the Remuneration Committee or in his absence, another member of the Remuneration Committee or failing this, his duly appointed delegate, shall attend the Annual General Meeting of the Company and to respond to questions at the Annual General Meeting on the Remuneration Committee's works and responsibilities.

Note: If there is any inconsistency between the English version and Chinese version of this Terms of Reference, the English version shall prevail.