

# Haina Intelligent Equipment International Holdings Limited

## 海納智能裝備國際控股有限公司

(the “Company”)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1645)

### Terms of Reference for the Remuneration Committee

#### DEFINITIONS

1. For the purposes of these terms of reference (the “Terms”):

“Board”	means the board of Directors of the Company
“Company Secretary”	means the company secretary of the Company from time to time
“Corporate Governance Code”	means the Corporate Governance Code in Appendix 14 to the Listing Rules (as amended from time to time)
“Director(s)”	means the director(s) of the Company
“Group”	means the Company and its subsidiaries from time to time
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Remuneration”	means including without limitation any salaries, bonuses, allowances, benefits (in cash or in kind), pension arrangements, reimbursements, compensation payments, (including any compensation payable for loss or termination of office or appointment) incentive payments and share options
“Remuneration Committee”	means the remuneration committee from time to time established by resolution of the Board in accordance with Article 137 of the articles of association of the Company (the “Articles of Association”) and clause 2 of these Terms
“Senior Management”	means the chairman, chief executive officer, and any other officers of the Company appointed by the Board from time to time
“Shareholder(s)”	means the shareholder(s) of the Company from time to time
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited

## **CONSTITUTION**

2. The Board hereby resolves to establish a committee of the Board to be known as the Remuneration Committee.

## **SECRETARY OF THE REMUNERATION COMMITTEE**

3. The Company Secretary shall be the secretary of the Remuneration Committee. The Company Secretary or, in his/her absence, his/her delegate(s) or any person elected by the members present at the meeting of the Remuneration Committee, shall attend the meeting of the Remuneration Committee and take minutes.
4. The Remuneration Committee may appoint from time to time a secretary with other appropriate qualifications and experiences.

## **MEMBERSHIP**

5. The members of the Remuneration Committee shall be appointed by the Board from time to time from amongst the Directors of the Company and shall consist of not less than three members, a majority of whom should be independent non-executive Directors.
6. A quorum of the Remuneration Committee shall be two members.
7. The chairman of the Remuneration Committee shall be appointed by the Board and shall be an independent non-executive Director.
8. Each member of the Remuneration Committee shall disclose to the Remuneration Committee the following:
  - (a) any and all financial interests (other than as Shareholder of the Company) in any Company matter under consideration by the Remuneration Committee; and
  - (b) any potential conflict of interest arising from a cross-directorship or otherwise,

and the secretary of the Remuneration Committee meeting shall also ascertain, at the beginning of the meeting, the existence of any conflict of interest and minute them accordingly.

9. Any member with any personal financial interest in any Company matter under consideration by the Remuneration Committee or any potential conflict of interest howsoever arising, shall abstain from voting on resolutions of the Remuneration Committee in relation to which such interest or conflict of interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Remuneration Committee.

## **MEETINGS**

10. Unless otherwise specified hereunder, the provisions contained in the Articles of Association (as amended from time to time) for regulating proceedings of Directors' meetings shall apply to the meetings of the Remuneration Committee.
11. Meetings of the Remuneration Committee shall be held at least once annually.
12. The chairman of the Remuneration Committee shall convene a meeting upon request of any member of the Remuneration Committee.
13. A duly convened meeting of the Remuneration Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Remuneration Committee.
14. Unless otherwise agreed by all the members of the Remuneration Committee, notice of at least 14 days shall be given for any meeting of the Remuneration Committee. Agenda and accompanying supporting papers shall be sent to all members of the Remuneration Committee and to other attendees as appropriate at least three days before the date of the meeting (or such other period as the members may agree).
15. Members of the Remuneration Committee may participate in any meeting of the Remuneration Committee by means of a conference telephone or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.

## **WRITTEN RESOLUTIONS**

16. Without prejudice to any requirement under the Listing Rules, written resolution may be passed and adopted by all members of the Remuneration Committee.

## **ANNUAL GENERAL MEETINGS**

17. The chairman of the Remuneration Committee shall attend the annual general meeting of the Company and respond to any questions posed therein on the matters of the Remuneration Committee.

## **AUTHORITY**

18. The Remuneration Committee is authorised by the Board to discharge its duties within these Terms.

19. The Remuneration Committee is authorised by the Board to seek any remuneration information it requires from the Directors and/or Senior Management. Each of the Directors and/or Senior Management must cooperate with the Remuneration Committee.
20. The Remuneration Committee is authorised by the Board to obtain, at the expense of the Company, external independent professional advice and to invite the attendance of outsiders with relevant experience and expertise if and when it considers necessary.
21. The Remuneration Committee shall be provided with sufficient resources to perform its duties.
22. The Remuneration Committee is authorised by the Board to have responsibility for establishing the selection criteria, appointment and setting of the terms of reference for any external remuneration consultant retained to advise the Remuneration Committee.

## **DUTIES**

23. The responsibilities and authorities of the Remuneration Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code, which shall include:
  - (a) making recommendations to the Board in respect of the Company's policy and structure for all Directors' and Senior Management's remuneration;
  - (b) the establishment of formal and transparent procedures for the development of remuneration policy, and assessing performance of executive Directors and approving the terms of executive Directors' service contracts;
  - (c) reviewing and approving the management's remuneration proposals with reference to the board's corporate goals and objectives;
  - (d) acting as the counsel for the Board, being responsible for determining the specific remuneration packages of individual 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), but the Board will retain the final right to approve the remuneration packages of the executive Directors and Senior Management;
  - (e) making recommendations to the Board in respect of the remuneration of non-executive Directors;
  - (f) considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

- (g) reviewing and approving compensation payable to executive Directors and Senior Management for any loss or termination of office or appointment to ensure it is consistent with relevant contractual terms and is otherwise fair and not excessive;
- (h) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure they are consistent with relevant contractual terms and are otherwise reasonable and appropriate;
- (i) ensuring that no Director or any of his associates is involved in deciding his or his associates' remuneration;
- (j) advising the Shareholders with respect to any Directors' service contracts that require Shareholder approval under the Listing Rules;
- (k) reviewing the Group's policy on reimbursement of expenses for Directors and Senior Management;
- (l) review the terms of executive Directors' service contracts from time to time;
- (m) review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and
- (n) advise the Board in relation to the preparation of the Board's remuneration report (if any) to Shareholders.

24. In carrying out its duties under these terms of reference, the Remuneration Committee should:

- (a) consult the chairman of the Board and/or the chief executive officer about its proposals relating to the remuneration of the executive Directors;
- (b) provide remunerative packages to attract, retain and motivate suitable executive Directors without offering more than is necessary for this purpose;
- (c) judge the market position of the Group, being aware of market salaries and relative performance;
- (d) be aware of remunerative and employment conditions within the Group and in the market, in particular in determining salary adjustments; and
- (e) ensure that any share options/share awards offered by the Company to its Directors or Senior Management are in accordance with Chapter 17 of the Listing Rules.

## SHARE OPTION SCHEMES

25. Without prejudice to the above, the Remuneration Committee shall:
- (a) operate the Company's share option schemes (if any) or other incentives schemes (if any);
  - (b) make recommendations to the Shareholders of grants of options to Directors and/or Senior Management;
  - (c) recommend to the Board the aggregate amount of any options to be granted to employees (with specific grants to individuals to remain at the discretion of the Board);
  - (d) amend the terms of the Company's share option or other incentive schemes subject to the provisions of the schemes relating to amendment; and
  - (e) liaise with the trustee of any share option scheme created by the Company for the benefit of employees, Senior Management or Directors.

## REPORTING

26. The secretary of the Remuneration Committee meeting shall record in sufficient detail the matters considered by the Remuneration Committee and decisions reached, including the names of those present and in attendance and any concerns raised by any member of the Remuneration Committee and/or dissenting views expressed.
27. Draft and final versions of minutes of Remuneration Committee meetings shall be sent to all Remuneration Committee members for their comment and records within a reasonable time after the meeting.
28. 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.
29. The Remuneration Committee shall 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).
30. The Remuneration Committee shall make a statement in the annual report of the Company about its activities.
31. The Remuneration Committee shall make these Terms available on the Company's and the Stock Exchange's website.

## MISCELLANEOUS

32. The adoption of, and amendments to, these Terms require the approval of the Board to be effective.
33. The interpretation of these Terms shall be vested in the Board.

*Note: If there is any inconsistency between the English and Chinese versions of these Terms, the English version shall prevail.*

*(Adopted by the Company pursuant to the Board's resolutions passed on 8 May 2020 and revised on 30 December 2022)*