



AFFLUENT PARTNERS HOLDINGS LIMITED

錢唐控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(the “Company”)

(Stock Code: 1466)

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

1. PURPOSE

The remuneration committee of the Company (the “**Remuneration Committee**”) serves the following functions:

- (a) reviewing and approving the Company’s compensation strategy and structure so that compensation is closely linked to the Company’s and individual’s performance; and
- (b) setting policy on fixing the remuneration package for all directors and senior management.

2. MEMBERSHIP

- (a) The Committee shall consist of not less than three (3) members. The members shall be appointed by the board (the “**Board**”) of directors (the “**Directors**”) of the Company, a majority of which should be Independent Non-Executive Directors.
- (b) Quorum shall be two (2) members, one of whom should be an Independent Non-Executive Director.
- (c) The Chairman of the Committee shall be an Independent Non-Executive Director appointed by the Board.
- (d) The Company Secretary of the Company shall be the secretary of the Committee.

3. AUTHORITY

- (a) The Committee shall have all authority necessary or implied to carry out its purpose and responsibilities.
- (b) The Committee should consult the chairman/chief executive about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice if necessary.

* For identification purposes only

- (c) The Committee should be provided with sufficient resources to perform its duties.
- (d) The Committee should determine the remuneration packages needed to attract, retain and motivate executive Directors and senior management of the quality required to run the Company successfully, but avoid paying more than necessary.
- (e) The Committee should judge where to position the Group relative to other companies. They should be aware of what comparable companies are paying and should take account of the Group's relative performance.
- (f) The Committee should be sensitive to the wider market, including pay and employment conditions within the Group and elsewhere, especially when determining annual salary increases.
- (g) The Committee should ensure that any offers and awards of share options by the Company to its Directors or senior management (if any) are in accordance with Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (the “**Listing Rules**”), as applicable. Generally the Company should not grant equity-based remuneration (e.g. share options or grants) with performance-related elements to independent non-executive directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

4. RESPONSIBILITIES

The responsibilities of the Committee shall be:

- (a) making 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;
- (b) reviewing and approving the management's remuneration proposals with reference to the board's corporate goals and objectives;
- (c) either: (i) determining, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or (ii) making 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;
- (d) making recommendations to the Board on the remuneration of non-executive directors;
- (e) considering factors such as salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

- (f) reviewing and approving 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;
- (g) reviewing and approving 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;
- (h) ensuring that no director or any of his associates is involved in deciding his own remuneration;
- (i) advising the shareholders of the Company on how to vote with respect to any service contracts of the Directors that require shareholders' approval under the Listing Rules;
- (j) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and
- (k) performing other duties assigned by the Board.

5. MEETINGS

- (a) The Committee shall meet at least once a year and more as it deems necessary to fulfill its functions. The chairman of the Remuneration Committee shall convene a meeting upon request by any member of the Remuneration Committee.
- (b) Meetings of the Remuneration Committee may follow the same procedures as those for meetings of the Board under the relevant provisions in the Constitution, as amended from time to time.

6. REPORTING PROCEDURES

- (a) The Committee shall record its findings and recommendations in written form.
- (b) The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.
- (c) The secretary shall circulate the minutes of meetings of the Committee to all members of the Board.
- (d) Without prejudice to the generality of the duties of the Remuneration Committee set out in these terms, the Remuneration Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations.

Adopted on 30 December 2022