



CHINA ORIENTAL GROUP COMPANY LIMITED
中國東方集團控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock code : 581)

REMUNERATION COMMITTEE
TERMS OF REFERENCE

(As adopted by the board of directors of the Company (the “**Board**”) in 2005 and with revision approved by the Board on 23 March 2012, 31 January 2019 and 9 January 2023)

1. CONSTITUTION

- 1.1 The Board has resolved to establish a remuneration committee (the “**Remuneration Committee**”) with the authority, responsibility and specific duties as described below.

2. MEMBERSHIP

- 2.1 The Remuneration Committee shall be appointed by the Board comprising a majority of independent non-executive directors of the Company (“**INED**”).
- 2.2 The chairman of the Remuneration Committee shall be appointed by the Board and must be an INED. The Remuneration Committee shall consist of at least three (3) members (the “**Members**”).
- 2.3 Each Member shall disclose to the Remuneration Committee:
- (a) any personal financial interest (other than as a shareholder of the Company (the “**Shareholder**”)) in any matter to be decided by the Remuneration Committee; or
 - (b) any potential conflict of interest arising from a cross-directorship.

Any such Member shall abstain from voting on resolutions of the Remuneration Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Remuneration Committee.

3. RESPONSIBILITY

- 3.1 The function of the Remuneration Committee is to, amongst others, make recommendations to the Board in setting policy on executive directors' remuneration and all directors' remuneration packages with a formal and transparent procedure.
- 3.2 The Remuneration Committee should ensure, amongst others, that the remuneration levels should be sufficient to attract and retain directors to run the Company successfully without paying more than necessary; no director should be involved in deciding his own remuneration.

4. AUTHORITY

- 4.1 The Remuneration Committee is authorised by the Board to investigate any activity identified within its terms of reference. It is authorised to seek any information it requires from any employee of the Company and its subsidiaries (the "**Group**"), and all employees of the Group are directed to co-operate with any request made by the Remuneration Committee. The Remuneration Committee is authorised by the Board to consult the chairman and/or the chief executive officer of the Company about their remuneration proposals for other executive directors. The Remuneration Committee should have access to independent professional advice if necessary and shall be provided with sufficient resources to perform its duties.

5. DUTIES

The duties of the Remuneration Committee shall be:

- 5.1
- (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;
 - (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (c) to determine, with delegated responsibility from the Board, the remuneration packages of individual executive directors and senior management which include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - (d) to make recommendations to the Board on the remuneration of non-executive directors;
 - (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

- (f) to review and approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), including but not limited to the granting of share options to eligible participants pursuant to the share scheme(s) of the Company;
- (g) 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;
- (h) 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;
- (i) to ensure that no director or any of his/her associates is involved in deciding his/her own remunerations;
- (j) to keep the Board fully informed of its actions; and
- (k) to consider other topics, as defined by the Board from time to time.

5.2 For the purpose of this terms of reference, “senior management” should refer to the same persons as referred to in the Company’s annual report and is required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules.

6. FREQUENCY AND NOTICE OF MEETINGS

- 6.1 Meeting shall be held as and when appropriate, but at least once annually and the quorum for the meeting shall be two (2).
- 6.2 Unless Otherwise agreed by all the Members, notice of meetings shall be given to all Members at least seven (7) clear days (including non-working days) before the meeting.
- 6.3 Notices referred to above may be given in writing (by letter, email, facsimile, cable or telex) or orally.
- 6.4 The Members or the secretary of the Remuneration Committee convening a meeting shall provide to other Members and the secretary of the Remuneration Committee information about the purposes of the meeting, the time, venue and agenda of the meeting and shall supply to each of them all relevant documents of the meeting and such documents shall be despatched together with the agenda of the meeting at least three (3) days before the intended date of the meeting (or other agreed period).

7. ATTENDANCE

- 7.1 As necessary or desirable, the chairman of the Remuneration Committee may request that members of management be present at meetings of the Remuneration Committee.
- 7.2 Meetings of the Remuneration Committee can be held by way of telephone conference.

8. SECRETARY

- 8.1 The company secretary of the Company (the “**Company Secretary**”) shall be the secretary of the Remuneration Committee.

9. MINUTES

- 9.1 Minutes of the Remuneration Committee meetings should record in sufficient detail the matters considered and decisions reached, including any concerns raised by the Members or dissenting views expressed.
- 9.2 Minutes of the Remuneration Committee meetings shall be kept by the Company Secretary. Draft and final versions of minutes of the meetings shall be sent to all Members for their comments and records respectively in both cases within a reasonable time after the meeting.
- 9.3 The Company Secretary shall circulate the minutes of meetings of the Remuneration Committee to all directors of the Board.

10. ANNUAL GENERAL MEETING

- 10.1 The Chairman of the Remuneration Committee or in his absence, another Member or failing that his duly appointed delegate shall attend the annual general meeting of the Company and be prepared to respond to any Shareholder’s questions on the Remuneration Committee’s activities.

11. GENERAL

- 11.1 The Remuneration Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on the website of The Stock Exchange of Hong Kong Limited and the website of the Company.

Hong Kong, 9 January 2023

** For identification purposes only*