



中國通海國際金融有限公司
CHINA TONGHAI INTERNATIONAL FINANCIAL LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code : 952)

Terms of Reference of Remuneration Committee

The terms of reference of Remuneration Committee of China Tonghai International Financial Limited (the “**Company**”) were revised and approved by the board of directors of the Company (the “**Board**”) on 9 January 2023.

(1) MEMBERSHIP

- 1.1 The Remuneration Committee (the “**Committee**”) whose members composed by a majority of Independent Non-executive Directors (“**INED**”) is appointed by the Board to review and endorse remuneration policies of Directors and Senior Management in the light of current trends and business requirements, and to make recommendations to the Board as deemed necessary or to take approved action if within delegated authority.
- 1.2 The Committee must be chaired by an INED and shall be appointed by the Board.
- 1.3 For the purpose of this terms of reference, “**Senior Management**” should refer to the same category of persons as referred to in the Company’s annual report and is required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (The “**Listing Rules**”).
- 1.4 The Committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors and have access to independent professional advice if necessary.
- 1.5 Company Secretary shall assume the role of secretary for the Committee. The Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Committee.

(2) MEETINGS

- 2.1 The Committee shall meet at least twice each year.

- 2.2 Notice of any meetings has to be given at least 14 days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned meetings is not required if adjournment is for less than 7 days.
- 2.3 The quorum for decisions of the Committee shall be any two Members.
- 2.4 Resolutions of the Committee shall be passed by a majority of votes which can also be passed by way of unanimous written resolutions. Meetings can be held in person, by telephone or by video conference.
- 2.5 Minutes shall be kept by the secretary of the Committee. Draft and final versions of minutes shall be circulated to all Members for their comment and records respectively, in both cases within a reasonable period of time after the meeting.
- 2.6 Without prejudice to the generality of the duties of the Committee set out in these terms of reference, the Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.

(3) DUTIES

- 3.1 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;
- 3.2 to review and approve the proposals for remuneration of all Executive Directors, Senior Management and the employees of the Group with reference to corporate goals and objectives set by the Board;
- 3.3 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;
- 3.4 to make recommendations to the Board on the remuneration of Non-executive Directors;
- 3.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

- 3.6 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;
- 3.7 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;
- 3.8 to ensure no Director or any of his/her associates is involved in deciding his/her own remuneration; and
- 3.9 to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

(4) ANNUAL REVIEW

The Committee shall evaluate its own performance, terms of reference and membership annually to ensure it is performing its duties effectively and shall recommend to the Board any changes it considers necessary.

(5) CONFIDENTIALITY

All Members shall treat and keep all information and documents received or accessible from the Company (including, but not limited to, the reports or minutes of the Committee) in the strictest confidence and shall not directly or indirectly communicate or disclose or divulge (whether in writing or orally or in any other manner) any such information or document to any third party without prior written approval from the Board, save as disclosure is required under the laws and regulations of Hong Kong or is necessary to perform or discharge Member's duties.

(6) PUBLICATION OF TERMS OF REFERENCE

The terms of reference of the Committee will be made available on request and published on the websites of HKExnews of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.tonghaifinancial.com), in order to explain its role and the authority delegated to it by the Board.