



**偉祿集團控股有限公司**  
**REALORD GROUP HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1196)**  
**(the “Company”)**

**TERMS OF REFERENCE**  
**OF**  
**THE REMUNERATION COMMITTEE**  
**OF THE BOARD OF DIRECTORS**  
**(the “Committee”)**

**Amended and adopted pursuant to resolutions**  
**passed by the board of directors**  
**of the Company**  
**on 13 January 2023**

## **1. MEMBERSHIP**

- 1.1. The Committee shall consist of at least two independent non-executive directors and one executive director appointed by the board of directors (“Board”) of the Company from time to time.
- 1.2. The Board shall nominate one of the independent non-executive directors as the chairman of the Committee.
- 1.3. The company secretary of the Company or his nominee shall act as the secretary of the Committee. In the absence of the secretary of the Committee, the members of the Committee present at the meeting shall elect another person with appropriate qualification and experience to act as the secretary.

## **2. FREQUENCY AND PROCEEDINGS OF THE COMMITTEE**

- 2.1. The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.
- 2.2. The chairman of the Committee may convene additional meetings at his discretion.
- 2.3. The quorum of a meeting shall be two members of the Committee and shall be present throughout the meeting. No business shall be transacted at any meeting of the Committee unless a quorum of members is present at the time when the meeting proceeds to business.
- 2.4. The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants, to advise its members. However, such individuals so invited are not entitled to vote at the meetings.
- 2.5. The provisions contained in the Bye-laws of the Company for regulating the proceedings of meetings of the Board so far as the same are applicable and not inconsistent with the provisions of these terms of reference shall apply, mutatis mutandis, to the Committee.

### **3. DUTIES, POWER AND FUNCTIONS**

#### 3.1. The Committee shall –

- (a) formulate remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, employment conditions, time, commitment, responsibilities, and individual performance of the directors, senior management, and the general staff. Performance shall be measured against corporate goals and objectives resolved by the Board from time to time; and implement the remuneration policy laid down by the Board;
- (b) without prejudice to the generality of the foregoing:
  - I. establish guidelines for the recruitment of senior management of the Company;
  - II. recommend to the Board on the Company's policy and structure for the remuneration of all directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy; whilst ensuring no director or any of their associates is involved in deciding that director's own remuneration;
  - III. determine independently, with delegated responsibility, the remuneration of executive directors and senior management, including benefits in kind, pension right, compensation payment (including compensation for loss of office or appointment etc). The chairman of the Board and/or the chief executive of the Company shall be consulted respectively about their proposals relating to the remuneration for the other executive directors and senior management, as the case may be;
  - IV. review and approve the compensation payable to executive directors and senior management for any loss or termination of their office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
  - V. 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;

- VI. recommend to the Board on the remuneration of the non-executive directors;
- VII. determine the criteria for assessing employee performance, which should reflect the Company's business objectives and targets;
- VIII. consider the annual performance bonus for all executive directors, senior management and general staff, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendation to the Board;
- IX. ensure the Company discloses the directors' remuneration policy, details of any remuneration payable to members of senior management by band and other remuneration related matters in the annual reports of the Company;
- X. engage such external professional advisors to assist and/or advise the Committee on issues as it considers necessary;
- XI. do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board;
- XII. conform to any requirement, discretion, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation;
- XIII. review and/or 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"); and
- XIV. when necessary, advise shareholders of the Company on how to vote with respect to any service contracts of directors that require shareholders' approval under Rule 13.68 of the Listing Rules.

*Note: "Senior management" shall refer to the same category of persons as referred to in the Company's annual report.*

3.2. The authorities and duties of the Committee shall also include those as prescribed under the Corporate Governance Code (as amended from time to time), Appendix 14 to the Listing Rules.

3.3. The chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the annual general meeting on the Committee's activities and their responsibilities.

#### **4. REPORTING PROCEDURES**

4.1. The Committee shall report the findings and recommendations to the Board. The secretary of the Committee shall circulate the minutes of meetings of the Committee to all members of the Board for their comment and record, respectively.

#### **5. AMENDMENTS**

5.1. The Board may from time to time, subject to compliance with the Bye-laws of the Company and the Listing Rules, amend, repeal and/or re-enact all and any part of these terms of reference.

**The Chinese version is for reference only, and the English version shall prevail in case of any inconsistency between the English version and the Chinese translation thereof.**