

**New Century Healthcare Holding Co. Limited**  
**新世紀醫療控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**Stock Code: 1518**

**Terms of reference of  
the Remuneration Committee of the Board of the Company**

**Adopted on January 13, 2023**

## DEFINITIONS

In these terms of reference, unless the context otherwise requires, the following terms have the meanings set out below:

<b>“associates”</b>	shall have the same meaning as that defined under the Listing Rules;
<b>“Board”</b>	means the Board of Directors of the Company;
<b>“Committee”</b>	means the Remuneration Committee of the Board of the Company;
<b>“Company”</b>	means New Century Healthcare Holding Co. Limited (新世紀醫療控股有限公司);
<b>“Directors”</b>	means the directors of the Company, and <b>“Director”</b> means any one of them;
<b>“Group”</b>	means the Company and its subsidiaries;
<b>“Independent Non-executive Directors”</b>	means non-executive Directors meeting the Directors’ requirements of independence set out in the Listing Rules, and <b>“Independent Non-executive Director”</b> means any one of them;
<b>“Listing Rules”</b>	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
<b>“senior management”</b>	means the persons referred to in the Company’s corporate communications as senior management from time to time.

## **OBJECTIVES**

1. The primary objectives of the Committee are to assist the Board in (i) determining the policy and structure for the remuneration of the Directors and senior management, (ii) reviewing incentive schemes and directors' service contracts, and (iii) assessing the remuneration packages of the Directors and senior management.

## **MEMBERSHIP**

1. The Committee shall comprise not less than three Directors, the majority of whom shall be Independent Non-executive Directors.
2. The chairperson of the Committee shall be appointed by the Board and shall be an Independent Non-executive Director. In the absence of the chairperson of the Committee, the Committee members present may elect any of their members who is an Independent Non-executive Director to chair the meeting.
3. The secretary of the Committee shall be the Company's secretary or any person designated as such by the Committee from time to time.
4. If a regular Committee member is unable to act due to absence, illness or any other cause, the chairperson of the Committee may appoint any non-executive Director (other than a person who is already a Committee member) to serve as an alternate Committee member.

## **PROCEEDINGS**

1. The quorum for meetings of the Committee shall be two members, one of whom must be an Independent Non-executive Director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all of the authorities, powers and discretions vested in or exercisable by the Committee.
2. The chairperson of the Committee may convene meetings at his discretion, but in any event meetings of the Committee are to be held not less than once every year, or at such frequency as required under the Listing Rules or other regulatory requirements applicable to the Company from time to time.

3. The secretary of the Committee shall, on the requisition of the members of the Committee, summon a meeting of the Committee. An agenda and accompanying papers shall be circulated to all Committee members (including alternate member(s) that may be appointed pursuant to paragraph 4 of the section headed "Membership" above) in a timely manner and at least three days before the intended date of a Committee meeting insofar as it is practicable.
4. All decisions of the Committee shall be made by majority vote.
5. Committee members may participate in a meeting by means of a conference telephone or other communications equipment through which all members participating in the meeting can communicate with each other simultaneously and instantaneously. For the purpose of counting a quorum, such member shall constitute presence at a meeting as if those participating were present in person.

#### **AUTHORITY**

1. The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
2. The Committee is authorized by the Board to obtain outside legal or other independent professional advice at the Company's expense and to secure the attendance of any person with relevant experience and expertise at Committee meetings as it considers appropriate.
3. The Committee may also exercise such powers as it may consider necessary and expedient so that its duties and responsibilities under its terms of reference can be properly discharged.
4. The Committee shall be provided with sufficient resources to perform its duties and responsibilities in accordance with its terms of reference.

## **DUTIES AND RESPONSIBILITIES**

1. The duties and responsibilities of the Committee include the following:
  - 1.1 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;
  - 1.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
  - 1.3 to make recommendations to the Board on the 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);
  - 1.4 to make recommendations to the Board on the remuneration of the non-executive Directors;
  - 1.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
  - 1.6 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;
  - 1.7 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;
  - 1.8 to ensure that no Director or any of his associates is involved in deciding his own remuneration;
  - 1.9 to consult with the Company's chairperson and/or the president/managing director/chief executive officer about their remuneration proposals for other executive Directors;
  - 1.10 to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;
  - 1.11 to ensure that share schemes offered by the Company to its Directors or senior management (if any) are in accordance with Chapter 17 of the Listing Rules, as applicable;

1.12 to administer, review and/or approve the Company's share schemes (if any) as they apply to Directors and/or senior management (subject to compliance with the provisions of the Listing Rules). It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to Directors and/or senior management to be at the discretion of the Committee) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment); and

1.13 to consider all other matters as referred to the Committee by the Board.

## **REPORTING PROCEDURES AND MISCELLANEOUS**

1. Minutes of meetings of the Committee shall be kept by the secretary to the meetings of the Committee and shall be open for inspection at any reasonable time on reasonable notice by any Director. The secretary to any meeting of the Committee shall circulate the minutes of the meeting of the Committee for which he has acted as secretary in draft and final forms to all members of the Committee within a reasonable time after such meeting is held.
2. The Committee shall report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so.
3. The chairperson of the Committee should attend annual general meetings of the Company to answer questions from the shareholders. In his/her absence, the Committee members present shall nominate another Committee member or failing this his/her duly appointed delegate to attend in his/her stead.