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**Terms of Reference for the  
Remuneration Committee of  
Budweiser Brewing Company APAC Limited**

*(A company incorporated in the Cayman Islands with limited liability)*

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Last updated 3 March 2023

## Definitions

1. For the purposes of these terms of reference:

**Board** means the board of directors of the Company;

**CEO** means the chief executive officer of the Company as appointed by the Board from time to time;

**Company** means Budweiser Brewing Company APAC Limited;

**Directors** means the members of the Board;

**ExCom** means the CEO, the chief financial officer and the general counsel of the Company;

**Group** means the Company and its subsidiaries;

**Listing Rules** mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);

**Remuneration Committee** means the remuneration committee established by resolution of the Board in accordance with these terms of reference;

**Senior Management** means the senior management of the Company;

**Shareholders** means the shareholders of the Company from time to time; and

**Stock Exchange** means The Stock Exchange of Hong Kong Limited.

## Constitution and mission

2. The Remuneration Committee was established by resolution of the Board on 2 July 2019, effective upon the listing of the Company's shares on the Stock Exchange on 30 September 2019.
3. The Remuneration Committee's principle role is to guide the Board with respect to all its decisions relating to the remuneration policies for the Board, the CEO, the ExCom and the Senior Management and on individual remuneration packages of Directors, the CEO and members of the ExCom and the Senior Management. It ensures:
  - (a) that the CEO and members of the ExCom and of the Senior Management are incentivised to achieve, and are compensated for, exceptional performance; and
  - (b) the maintenance and continuous improvement of the Company's compensation policy which will be based on meritocracy with a view to aligning the interests of its employees with the interests of all Shareholders.

## **Composition and functioning**

4. The Remuneration Committee shall consist of not less than three members appointed<sup>LR 3.25</sup> by the Board from among the Directors, a majority of whom shall be independent non-executive Directors. A quorum shall be two members of whom at least one shall be an independent non-executive Director.
5. The chair of the Remuneration Committee shall be appointed by the Board and<sup>LR 3.25</sup> shall be an independent non-executive Director.
6. The Remuneration Committee decides by a simple majority.
7. The CEO and the VP People are invited ex officio to the Committee meetings unless explicitly decided otherwise.
8. Each member of the Remuneration Committee shall disclose to the Remuneration Committee:
  - (a) any personal financial interest (other than as a Shareholder of the Company or of the Company's controlling shareholder) in any matter to be decided by the Remuneration Committee; or
  - (b) any potential conflict of interest arising from a cross-directorship.
9. 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 shall (if so required by the Board) resign from the Remuneration Committee.

## **Frequency and conduct of meetings**

10. The Remuneration Committee shall meet at least once a year and more often if required and as convened by its chair or at the request of at least two of its members.
11. An agenda and other relevant documents should be sent to all members of the Remuneration Committee in a timely manner before the intended date of a meeting of the Remuneration Committee.
12. Meetings of the Remuneration Committee may follow the same procedures as those for meetings of the Board under the relevant provisions in the articles of association of the Company, as amended from time to time.

## Reporting procedure

13. The duly appointed secretary (who should normally be the VP People or a duly appointed representative) to the Remuneration Committee shall draft and keep full minutes of each meeting reflecting in sufficient details the issues which were discussed, the matters which were considered, the decisions which were taken and, if any, the reservations and concerns which were voiced by dissenting members of the Remuneration Committee. The minutes will be approved by the chair of the Remuneration Committee and subsequently by the Remuneration Committee during its next regularly scheduled meeting. The minutes shall be made available for inspection on reasonable notice by any Director. Draft and final versions of minutes of such meetings should be sent to all members of the Remuneration Committee for their comment and records within a reasonable time after such meetings.
14. Without prejudice to the generality of the duties of the Remuneration Committee <sup>CP E.4.2</sup> set out in these terms of reference, the Remuneration Committee shall:
  - (a) report back to the Board following each meeting of the Remuneration Committee on the principal matters reviewed or approved by the Remuneration Committee and its recommendations regarding actions to be taken by or decisions to be approved by the Board; and
  - (b) keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.

## Annual general meetings

15. The chair of the Remuneration Committee (or in his/her absence, his/her duly appointed delegate) <sup>CP E.2.2</sup> shall attend the Company's annual general meeting and be prepared to respond to any Shareholders' questions on the Remuneration Committee's activities.

## Authority

16. The Remuneration Committee is authorised by the Board to perform its duties within these terms of reference. The Remuneration Committee and each member of the Remuneration Committee is authorised to seek any information it requires from the Directors and/or Senior Management who are directed to co-operate with the Remuneration Committee.
17. The Remuneration Committee has the authority to retain and terminate any consultancy firm to be used in assisting with its missions, including authority to approve the firm's fees and other terms of retention. It is also authorised to obtain <sup>CP E.1.1</sup> independent advice, including legal advice, from internal or external professional advisers at the Company's expense and to secure the attendance of outsiders with <sup>CP E.1.4</sup>

relevant experience and expertise if it considers this necessary. The Remuneration Committee shall be provided with sufficient resources to perform its duties. The Remuneration Committee should be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external consultant who advises the Remuneration Committee.

### **Powers and responsibilities**

18. The responsibilities of the Remuneration Committee include the following:

- (a) to make recommendations to the Board on the Company's policy and structure for all Directors' and Senior Management's remuneration, including variable remuneration and long-term incentives, whether or not stock-related, and on the establishment of a formal and transparent procedure for developing remuneration policy; <sup>CP E.1.2(a)</sup>
- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; <sup>CP E.1.2(b)</sup>
- (c) to either (1) determine with delegated responsibility, the remuneration packages of individual executive Directors and Senior Management or (2) make recommendations to the Board on the remuneration packages of individual executive Directors and Senior Management (upon the recommendation of the CEO), including but not limited to benefits in kind, pension rights and any compensation payments, including any compensation payable for loss or termination of their office or appointment, salary, variable remuneration and long-term incentives; <sup>CP E.1.2(c)</sup>
- (d) to make recommendations to the Board on the remuneration of non-executive Directors; <sup>CP E.1.2(d)</sup>
- (e) to monitor the performance of the CEO, the members of the ExCom and the Senior Management and key officers of the Company, zones and business unit and evaluate results vs. stated targets;
- (f) to consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and Senior Management and employment conditions elsewhere in the Group, and to evaluate and benchmark compensation in the different functions, zones and business unit; <sup>CP E.1.2(e)</sup>
- (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; <sup>CP E.1.2(f)</sup>

- (h) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct in order to ensure that they are consistent with contractual terms and that are otherwise reasonable and appropriate; <sup>CP E.1.2.(g)</sup>
  - (i) to ensure that no Director or any of his/her associates is involved in deciding that Director's own remuneration; <sup>CP E.1.2(h)</sup>
  - (j) to advise the Shareholders on how to vote with respect to any service contracts of the Directors that require Shareholders' approval under the Listing Rules;
  - (k) to ensure that all relevant information on compensation at all levels of the Company will be made available to the Board;
  - (l) to prepare and submit for approval to the Board the annual remuneration report, to be included in the annual report and submitted for approval to the ordinary Shareholders' Meeting; and <sup>CP E.1.5</sup>
  - (m) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules. <sup>CP E.1.2(i)</sup>
19. In carrying out its responsibilities under these terms of reference, the Remuneration Committee should:
- (a) consult the Chair and/or the CEO about their remuneration proposals for other executive Directors and Senior Management; <sup>CP E.1.1</sup>
  - (b) 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; and <sup>CP E.1</sup>
  - (c) ensure that share awards or grants of share options by the Company to its Directors or Senior Management (if any) are in accordance with Chapter 17 of the Listing Rules, as applicable.
20. Without prejudice to the generality of the responsibilities of the Remuneration Committee set out in these terms of reference, the Remuneration Committee shall:
- (a) operate the Company's share option or other incentive scheme (if any) as they apply to Directors and Senior Management and if applicable, recommend to the Shareholders any grants or options of other awards to be made to Directors and/or Senior Management. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);

- (b) liaise with the trustee of any trust which is created by the Company for the benefit of participants in any share option or other incentive scheme;
- (c) review the terms of executive Directors' service contracts from time to time; and
- (d) advise the Board in relation to preparation of the Board's remuneration report (if any) to Shareholders.

#### **Annual evaluation**

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

#### **Terms available**

22. The Remuneration Committee shall make these terms of reference available by <sup>CP E.1.3</sup> inclusion on the websites of the Company and the Stock Exchange in order to explain its role and the authority delegated to it by the Board.