

HAITONG INTERNATIONAL SECURITIES GROUP LIMITED

海通國際證券集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 665)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

Adopted as amended by the board of directors (the “**Board**”) of Haitong International Securities Group Limited (the “**Company**”) on 17 March 2023.

A. Constitution

- A.1 The Board had resolved to establish a committee of the Board, namely the remuneration committee (the “**Committee**”), on 12 April 2005 in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and bye-law 120(1) of the New Bye-laws of the Company.
- A.2 The Committee shall report to the Board directly. Details of the Committee are set out below.

B. Membership

- B.1 The members of the Committee shall be appointed by the Board from amongst the non-executive directors of the Company and shall consist of a minimum of 3 members. The majority of the Committee members must be independent non-executive directors of the Company.
- B.2 The chairman of the Committee shall be appointed by the Board and should be an independent non-executive director.
- B.3 The company secretary shall be the secretary of the Committee.

C. Attendance at meetings

- C.1 The Group Chief Financial Officer, the Group Finance Director and the Group Human Resources Director may attend meetings of the Committee. Other members of the Board shall also have the right of attendance.
- C.2 The company secretary shall be the secretary of the Committee. In the absence of the company secretary in any meeting of the Committee, a member of the Committee or the alternate of the company secretary shall act as the secretary of the meeting of the Committee.

D. Frequency and proceedings of meetings

- D.1 Meetings shall be held at least once a year. The chairman of the Committee may request for additional meetings if he/she deems necessary.
- D.2 The quorum necessary for meetings of the Committee shall be 3 members.
- D.3 Proceedings of meetings of the Committee shall be governed by the provisions contained in New Bye-laws of the Company for regulating the meetings and proceedings of the Board so far as the same are applicable.

E. Authority

- E.1 The Committee is authorized by the Board to set remuneration policy of the Group and to fix remuneration packages of the executive directors and the Board as a whole within its terms of reference. It is authorized to seek any information it requires from any employees of the Company in order to perform its duties.

- E.2 The Committee should consult the Chairman of the Board and/or chief executive officer about their proposals relating to the remuneration of other executive directors and it is authorized to seek independent professional advice if considered necessary in performing its duties.
- E.3 The Committee shall be provided with sufficient resources and may seek independent professional advice upon reasonable request at the Company's expense to perform its duties.
- E.4 The Committee shall report its decisions or recommendations to the Board, unless the Committee is unable to report due to legal or regulatory restrictions (such as a restriction on disclosure due to regulatory requirements) in which case the Committee shall notify the Board to the fullest extent permissible under such restrictions.

F. Duties

- F.1 The duties of the Committee shall include the following:-
 - F.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;
 - F.1.2 to review and approve the management's remuneration proposals with reference to corporate goals and objectives resolved by the Board from time to time;
 - F.1.3 to make recommendations to the Board on the individual remuneration packages of executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of office or appointment;
 - F.1.4 to make recommendations to the Board on the remuneration of non-executive directors;
 - F.1.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
 - F.1.6 to review and approve the compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that such compensation is consistent with contractual terms and that such compensation is otherwise fair and not excessive;
 - F.1.7 to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in consistent with contractual terms and are otherwise reasonable and appropriate;
 - F.1.8 to ensure that no director or any of their associates is involved in deciding that director's own remuneration; and
 - F.1.9 to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

G. Reporting procedures

- G.1 Draft minutes of the meetings of the Committee shall be sent to all members of the Committee for their comment within a reasonable time after the meetings.
- G.2 Final versions of minutes of the meetings of the Committee shall be sent to all members of the Board for their records within a reasonable time after the meetings.
- G.3 Full minutes of the meetings of the Committee shall be kept by the company secretary.

- End -