



BUILD KING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00240)

REMUNERATION COMMITTEE (the “Committee”)

Terms of Reference

Amended and adopted at the Board Meeting on 21 March 2023

Purpose

1. The purpose of the Committee is to assist the Board of Directors of the Company (the “Board”) in overseeing the development and implementation of the framework and policies on the remuneration of directors and employees of the Company and its subsidiaries, considering all matters concerning the remuneration and benefits of directors and senior management and the evaluation of their performance, including the chief executive officer (“CEO”).

Composition

2. The Committee shall be appointed by the Board from time to time and shall consist of not less than three (3) members and shall comprise a majority of independent non-executive directors, each of whom shall meet and maintain the independence requirements (if any) from time to time of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), The Securities and Futures Commission of Hong Kong or at law¹. The member must be a Director of the Company. The Board shall appoint one member of the Committee who is an independent non-executive director as its chairman² (the “Chairman”).

The Secretary of the Company or his nominee shall be the secretary of the Committee.

Meetings

3. The Committee shall meet at least two (2) times annually, or more frequently if circumstances dictate or act by unanimous written consent. Attendance may be in person, by telephone or other means of telecommunication. Except in emergencies, all papers for the meeting shall be sent to all Committee members at least three (3) days before each meeting. All rules of law and of the Company’s Bye-laws shall apply to proceedings of the Committee as they apply to meetings of the Board, mutatis mutandis.

¹ Listing Rule 3.25

² Listing Rule 3.25

4. The Chairman (or in his or her absence, a member designated by the Chairman) shall preside at all meetings of the Committee. The Chairman shall be responsible for leadership of the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.

Access

5. The Committee shall have full access to management. The Committee may invite members of management or others to attend the Committee's meetings and provide pertinent information as appropriate.

Minutes

6. Minutes of each Committee meeting shall be prepared as soon as practicable by the secretary of the Company and sent to all Committee members.

Reporting Responsibilities

7. The Chairman of the Committee shall report formally to the Board on its proceedings decisions and recommendations after each meeting on all matters within its duties and responsibilities unless there are legal or regulatory restrictions on the Committee's ability to do so³.
8. The Committee shall make whatever recommendations to the Board that it deems appropriate on any area within its scope of duties where action or improvement is needed.

Annual General Meeting

9. The Chairman of the Committee or in his absence, another member of the Committee or failing that his duly appointed delegate shall attend the annual general meeting of the Company so as to be available to answer questions from shareholders on matters within the scope of duties of the Committee.

Authority

10. The Board authorises the Committee to:
 - (i) make freely available its terms of reference, explaining its role and the authority delegated to it by the Board, and recommend any proposed changes to the Board for consideration and approval;
 - (ii) have the sole authority to retain, terminate and approve fees and other retention terms for and terminate any compensation consultant hired to assist in the evaluation of the executive directors and senior management compensation;

³ Code Provision C.4.2

- (iii) investigate any matter within its terms of reference and seek any information it requires from any employee in order to perform its duties (all employees being directed to co-operate with any such request by the Remuneration Committee); and
- (iv) obtain, at the Company's expense, outside independent legal or other professional advice on any matter within its terms of reference and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

11. The Committee shall carry out the following duties as required by the Board from time to time⁴:
- (i) to review and make recommendations to the Board on the management's proposed change of 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. "Senior management" means the category of persons required to be disclosed in the Company's annual report under paragraph 12 of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules");
 - (ii) be aware of and advise on any major changes in employee benefit structures throughout the Company;
 - (iii) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (iv) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
 - (v) to determine with delegated responsibility, the remuneration packages of individual executive directors and senior management (including the CEO, if the CEO is not also an executive director). This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. The Committee should consult the chairman and/or chief executive about their remuneration proposal for other executive directors;
 - (vi) 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 it is consistent with contractual terms and is otherwise fair and not excessive;
 - (vii) to review and make recommendations to the board of on the remuneration of non-executive directors and independent non-executive directors;
 - (viii) 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;

⁴ Code Provision E.1.2

- (ix) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (x) to form a view in respect of service contracts that require shareholders' approval and advise shareholders (other than shareholders who are directors with material interest in the service contracts and their associates) as to whether the terms are fair and reasonable, advise whether such contracts are in the interests of the Company and its shareholders as a whole and advise shareholders on how to vote. An independent non-executive director who has material interest in any such contracts shall not attend the Committee meeting at which such service contract is considered⁵;
- (xi) be responsible for establishing the selection criteria, selecting, appointing and setting the terms of references for any remuneration consultants who advise the Committee and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have the full authority to commission any reports or surveys which it deems necessary to help it fulfill its obligations;
- (xii) evaluate and assess the effectiveness of the Committee and the adequacy of these terms of reference on an annual basis and recommend any proposed changes to the Board; and
- (xiii) review and/or approve matters relating to share schemes in accordance with the Listing Rules⁶.

⁵ Listing Rule 13.68

⁶ Listing Rule 17.07A