



# CAFÉ DE CORAL HOLDINGS LIMITED

大家樂集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

Website: [www.cafedecoral.com](http://www.cafedecoral.com)

(Stock Code: 341)

## **Remuneration Committee**

### **Revised Terms of Reference**

**(Approved by the Board on 22 March 2023)**

#### **1. Constitution**

- 1.1 The Board had, in the past, resolved to establish a Committee of the Board known as the Remuneration Committee.

#### **2. Membership**

- 2.1 The Remuneration Committee shall be appointed by the Board and shall consist of not less than two members. The majority of Remuneration Committee members shall be independent non-executive Directors of the Company.

#### **3. Chairman**

- 3.1 The Board shall appoint the chairman of the Remuneration Committee. The chairman must be an independent non-executive Director of the Company. The chairman has the responsibility of liaising with the Board.
- 3.2 The chairman shall chair the meetings of the Remuneration Committee.
- 3.3 In the absence of the chairman of the Remuneration Committee, the remaining members present shall elect one of themselves to chair the meetings of the Remuneration Committee.

#### **4. Authority**

- 4.1 The Remuneration Committee is authorized by the Board to take actions and act as necessary in pertaining its duties.

\* For identification purposes only

## 5. Duties

The duties of the Remuneration Committee shall be:

- 5.1 to review remuneration policies and strategies for the whole Group with reference to market trend and relevant benchmarks;
- 5.2 to make recommendation to the Board on the Group'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;
- 5.3 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 5.4 to make recommendations to the Board on the remuneration packages of individual Directors and senior management;

Remuneration package may include, where appropriate, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- 5.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- 5.6 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;
- 5.7 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;
- 5.8 to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- 5.9 to 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");

- 5.10 to undertake on behalf of the Chairman or the Board such other related tasks as the Chairman or the Board may from time to time entrust to it;
- 5.11 the Chairman and/or the Chief Executive Officer, if any, shall be consulted respectively about their remuneration proposals for other executive Directors;
- 5.12 from time to time to invite advisors to the meeting, including but not limited to external advisors or consultants to assist/advise the members; and
- 5.13 to procure any such matters that the Listing Rules shall require the Remuneration Committee to so act from time to time.

## **6. Quorum and voting of meetings**

- 6.1 The quorum necessary for the transaction of business shall be two members. If only two members are in attendance, then both members shall be independent non-executive Directors. If more than two members are in attendance, then a majority of the members shall be independent non-executive Directors.
- 6.2 Questions arising in any meetings shall be decided by a simple majority of votes.

## **7. Attendance at meetings**

- 7.1 The Remuneration Committee members may attend meetings of the Remuneration Committee either in person or through other electronic means of communication (if made available by the Company). Should any member of the Remuneration Committee wish to attend a meeting through electronic communications, prior arrangements shall be made with the secretary of the Remuneration Committee.
- 7.2 Senior management of the Company and such other person(s), if deemed appropriate and invited by the Remuneration Committee, shall be in attendance.
- 7.3 The Company Secretary shall be the secretary of the Remuneration Committee.

## **8. Frequency of meetings**

- 8.1 At least one meeting will be held each year provided that any ad hoc meetings shall be convened as and when deemed necessary.

## **9. Notice of meetings**

- 9.1 Meetings of the Remuneration Committee shall be convened by the secretary of the Remuneration Committee at the request of any of its members.
- 9.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each member of the Remuneration Committee, and to any other person required to attend:
  - 9.2.1 in relation to all regular meetings of the Remuneration Committee, at least 14 days before the date of the meeting; and
  - 9.2.2 in relation to all other meetings of the Remuneration Committee, within a reasonable time prior to the date of the meeting.
- 9.3 An agenda of items to be discussed, together with supporting papers shall be sent to Remuneration Committee members and to other attendees at least 3 days prior to the date of the meeting.
- 9.4 Any member of the Remuneration Committee shall be entitled, by notice to the secretary of the Remuneration Committee, to include other matters relevant to the functions of the Remuneration Committee in the agenda of regular Remuneration Committee meetings.

## **10. Minutes of meetings**

- 10.1 The secretary of the Remuneration Committee (or his/her delegate) in attendance at the meetings of the Remuneration Committee shall prepare minutes in sufficient detail of the proceedings and resolutions of all such meetings, including the names of those present and in attendance, matters considered, decisions reached and/or recommendations made by the members of the Remuneration Committee during the meetings. The minutes should also include any concerns raised by any member of the Remuneration Committee and/or dissenting views expressed.
- 10.2 The secretary of the Remuneration Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Remuneration Committee shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Remuneration Committee in which he/she and/or his/her associates have a material interest.

- 10.3 Draft and final versions of minutes of Remuneration Committee meetings shall be sent to all Remuneration Committee members for their comments and records respectively, within a reasonable time after the meeting and before the next meeting.
- 10.4 Minutes of the Remuneration Committee meetings shall be kept by the secretary of the Remuneration Committee and shall be available for inspection by any member of the Remuneration Committee and/or any Director of the Company at any reasonable time on reasonable notice.

## **11. Annual general meetings**

- 11.1 The chairman of the Remuneration Committee shall endeavour to attend the annual general meetings of the Company and be prepared to respond to any shareholder questions on the Remuneration Committee's activities.
- 11.2 If the chairman of the Remuneration Committee is unable to attend an annual general meeting of the Company, he shall arrange for another member of the Remuneration Committee, or failing this, his duly appointed delegate, to attend in his place. Such person shall be prepared to respond to any shareholder questions on the Remuneration Committee's activities.

## **12. Reporting responsibilities**

- 12.1 After each meeting, the chairman of the Remuneration Committee shall report formally to the Board on all matters within its duties and responsibilities.
- 12.2 The Remuneration Committee shall make whatever recommendations it deems appropriate to the Board on any area within its remit where action or improvement is needed.
- 12.3 The Remuneration Committee shall, with the assistance of the secretary of the Remuneration Committee, compile a report to shareholders on its role and activities which will be included in the Company's Corporate Governance Report.

## **13. Other**

- 13.1 The Remuneration Committee shall have access to sufficient resources in order to perform its duties. In the event that the Remuneration Committee determines that it has insufficient resources, it may make a request for additional resources to the Board through the Company Secretary.

- 13.2 All members of the Remuneration Committee shall have access to the advice and services of the secretary of the Remuneration Committee with a view to ensuring that procedures of the Remuneration Committee and all applicable laws, rules and regulations are followed.
- 13.3 Any member of the Remuneration Committee may require access to outside legal or other independent professional advice in connection with his/her duties at the Company's expense.
- 13.4 Every member of the Remuneration Committee shall give sufficient time and attention to his/her duties as a member of the Remuneration Committee. He/she shall give the Company the benefit of his skills and expertise through regular attendance and active participation.
- 13.5 The Remuneration Committee should make available its terms of reference explaining its role and authority on the websites of the Company and The Stock Exchange of Hong Kong Limited.