



## **MAINLAND HEADWEAR HOLDINGS LIMITED**

**飛達帽業控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1100)**

### **TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

#### **A. CONSTITUTION**

The Board of Directors (the “Board”) resolved on 12 April 2005 to establish a Remuneration Committee (the “Committee”) to formulate and review the remuneration policy and the specific remuneration packages of all directors and senior management of Mainland Headwear Holdings Limited (the “Company”). Terms of Reference of the Committee are updated and amended with reference to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) from time to time.

#### **B. MEMBERSHIP**

1. The Committee members (the “Members”) and Chairman of the Committee shall be appointed by the Board. A majority of the Members shall be Independent Non-executive Directors.
2. The quorum of any Committee meeting shall be two Members, of which at least one should be Independent Non-executive Director.
3. The Committee may, from time to time, invite advisers to the meeting, including without limitation external advisors or consultants to advise the Members. The Committee may also consult the Chairman of the Board or the Chief Executive Officer (if any) about their remuneration proposal of other executive directors.
4. The Company Secretary shall act as the Secretary of the Committee.

#### **C. FREQUENCY OF MEETINGS**

Meetings shall be held not less than once a year.

\* *For identification purpose only*

## **D. DUTIES**

The specific duties of the Committee shall be:

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;
2. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. to have the delegated responsibility to determine the specific remuneration packages of all 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, and make recommendations to the Board of the remuneration of non-executive directors. The Committee should consider factors such as salaries paid by comparable companies and time commitment and responsibilities of the directors, employment conditions elsewhere in the group;
4. to make recommendations to the Board on the remuneration of non-executive directors;
5. 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 relevant contractual terms and is otherwise fair and not excessive;
6. 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 that are otherwise reasonable and appropriate;
7. to ensure that no director or any of his/her associates is involved in deciding his own remuneration; and
8. to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

## **E. REPORTING PROCEDURES**

1. The Chairman of the Committee shall report to the Board on its proceedings and recommendations, where appropriate, for its consideration and/or for approval.
2. The following disclosures shall be made in the Corporate Governance Report in the Annual Report:
  - (i) the role and function of the Committee;

- (ii) the composition of the Committee (including names and identifying in particular the Chairman of the Committee);
- (iii) the number of meetings held by the Committee during the year and the record of individual attendance of members, on a named basis, at meetings held during the year; and
- (iv) a summary of work, including determining the policy for the remuneration of executive directors, assessing performance of executive directors and approving the terms of executive directors' service contracts, performed by the Committee during the year.

#### **F. PUBLICATION OF THESE TERMS OF REFERENCE**

A copy of these Terms of Reference will be made available to the public by posting on the respective website of the Company and Hong Kong Exchanges and Clearing Limited.

Amended and adopted by the Board on 22 March 2023