

# Southwest Securities International Securities Limited

西證國際證券股份有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 812)

## REMUNERATION COMMITTEE

### Terms of Reference

#### Constitution

- A. The board of directors (the “**Board**”) of Southwest Securities International Securities Limited (the “**Company**”) hereby resolves to establish a committee of the Board to be known as the Remuneration Committee (the “**Committee**”).

#### Membership

- B. The chairman of the Committee shall be appointed by the Board and should be an independent non-executive director, the majority of which shall be independent non-executive directors, and the Committee shall consist of not less than three members; The company secretary of the Company or his/her nominee shall be the secretary of the Remuneration Committee.

#### Attendance at meetings

- C. A quorum of the Committee meeting shall be 2 members. Other Board members, apart from the Committee members, and the person that the committee considers appropriate have the right to attend any Committee meetings, though they shall not be counted in the quorum. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretions vested in or exercisable by the Committee.

#### Frequency of meetings

- D. The Committee members may call any meetings at any time when necessary.

#### Authority

- E. The Committee is authorized by the Board to seek any necessary information which is within the Committee’s scope of duties from the employees.
- F. The Committee is authorized by the Board to obtain outside independent professional advice, and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

\* *For identification purposes only*

## Duties

- G. The duties of the Committee shall include, but shall not be limited to the following:
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 determine, with delegated responsibility, the remuneration packages of individual 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 on the remuneration of non-executive directors. The Committee should consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries (together, the "**Group**"). A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance;
  4. 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 otherwise fair and not excessive;
  5. 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;
  6. To ensure that no director or any of his/her associates is involved in deciding his/her own remuneration; and
  7. 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**").

*“Senior management” refers to the same category of persons as referred to in the Company’s annual report. It is the responsibility of the Board of the Company to determine which individual or individuals constitute senior management. Senior management may include but not limited to Chief Executive Officer, Executive Vice President, Vice President, Chief Compliance Officer, Chief Risk Control Officer and Financial Controller, is appropriate.*

## **Report Procedure**

- H. The secretary shall circulate the minutes of meetings of the Committee to all members of the Board.
- I. An agenda and other relevant documents should be sent in full to all members in a timely manner and at least three days before the intended date of a meeting of the Committee (or such other period as may be agreed by its members).

(Revised by the Company pursuant to the Board resolutions on 24 March 2023.)