



# PEGASUS INTERNATIONAL HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 676)**

**(the “Company”)**

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

*(Amended and approved by the board of directors of the Company in March 2023)*

### **Constitution/Functions**

1. The board of directors of the Company (the “**Board**”) hereby resolved to establish a committee of the Board to be known as the remuneration committee (the “**Remuneration Committee**”) of the Company (together with its subsidiaries, the “**Group**”) to establish the remuneration policy of the Group, review and determine the remuneration of directors and the senior management.

### **Membership**

2. The members of the Remuneration Committee (the “**Members**”) shall be appointed by the Board from amongst the directors of the Company (the “**Directors**”) and a majority of the Members should be independent non-executive Directors of the Company (the “**INEDs**”).
3. The Chairman of the Remuneration Committee shall be appointed by the Board and must be an INED.

### **Secretary**

4. The Company Secretary of the Company shall be the secretary of the Remuneration Committee.
5. The Remuneration Committee may from time to time appoint any other person with appropriate qualification and experience to act as the secretary of the Remuneration Committee.

### **Meetings**

6. Meetings shall be held at least once a year. Additional meetings may also be held by the Remuneration Committee as it considers necessary.
7. The quorum for the meetings of the Remuneration Committee shall be any two members.

8. Unless otherwise provided in these terms of reference, all of the provisions contained in the Company's Bye-Laws (as amended from time to time) for regulating meetings and proceedings of the Board shall govern the meetings and proceedings of the Remuneration Committee.
9. Notice of meetings has to be given at least 14 days prior to any such meeting being held, unless otherwise agreed by all the members of the Remuneration Committee. Agenda and accompanying supporting papers shall be sent, in full, to all the members of the Remuneration Committee and to any other attendees as appropriate at least 3 days in advance of the meeting or as otherwise agreed.
10. Meetings could be held in person, by telephone or by video conference.
11. Resolutions of the Remuneration Committee at any meeting shall be passed by a majority of votes of the Members present.
12. A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.
13. Minutes shall be kept by the secretary of the Remuneration Committee. Draft and final versions of the minutes shall be circulated to all Members for their comments and records respectively, in both cases within a reasonable period of time after the meeting.

#### **Attendance at Meetings**

14. The Remuneration Committee may invite the Chairman of the Board, Directors, external advisers and other person to attend any meetings of the Remuneration Committee.
15. Only Members are entitled to vote at the meetings.

#### **Annual General Meeting**

16. The Chairman of the Remuneration Committee or another Member shall attend the Annual General Meeting of the Company and be prepared to respond to shareholders' questions on activities of the Remuneration Committee and their responsibilities.

#### **Authority**

17. The Remuneration Committee shall consult the Chairman of the Board and the other members of the Board about their proposals relating to the remuneration of Directors and senior management.
18. The Remuneration Committee is authorised by the Board to seek any remuneration related information it requires from any employee of the Group and where necessary to have access to professional advice in order to perform its duties.

19. The Remuneration Committee is authorised by the Board where necessary to obtain, at the Company's expense, outside legal or other independent professional advice on any matter within its terms of reference.
20. The Remuneration Committee shall be provided with sufficient resources to perform its duties.

## **Duties**

21. The duties of the Remuneration Committee shall be:
  - (a) to make recommendations 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;
  - (b) to have the delegated responsibility to determine the specific remuneration packages of individual executive directors and senior management, including basic salary, 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 individual executive directors and senior management. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration;
  - (c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
  - (d) to make recommendations to the Board on the remuneration of non-executive Directors;
  - (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
  - (f) to review and approve the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Group;
  - (g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;

- (h) to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (i) to advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under Rule 13.68 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"); and
- (j) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules, if any.

### **Reporting Procedures**

- 22. The Remuneration Committee shall report to the Board on their decisions or recommendations as and when appropriate.

### **Publication of the Terms of Reference**

- 23. These terms of reference of the Remuneration Committee shall be made available to the public by posting the same on the websites of the Company and Hong Kong Exchanges and Clearing Limited respectively.

*Remark:* "senior management" refers to the same persons referred to in the Company's annual report from time to time and is required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules.