

TAYANG 大洋

TA YANG GROUP HOLDINGS LIMITED

大洋集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1991)

(the “Company”)

**TERMS OF REFERENCE
OF
THE REMUNERATION COMMITTEE
OF THE BOARD OF DIRECTORS**

**Adopted on 16 May 2007
(revised on 27 March 2012 and on 31 March 2023)**

TA YANG GROUP HOLDINGS LIMITED

(大洋集團控股有限公司)

(incorporated in the Cayman Islands with limited liability)

(the “Company”)

Regulations (“Regulations”) relating to the remuneration committee (the “Remuneration Committee”) of the board (the “Board”) of directors (the “Directors”) of the Company

A. Constitution

Pursuant to the resolution passed on 16 May 2007, by the Board, the Remuneration Committee was established as a Remuneration Committee of the Board.

B. Remuneration Committee

1. Membership

- 1.1 The Remuneration Committee shall consist of at least three (3) members (“Members”), all being Directors, with the majority being independent non-executive Directors, appointed by the Board from time to time.
- 1.2 The chairman (“Chairman”) of the Remuneration Committee shall be appointed by the Board and must be an independent non-executive Directors, in his absence, members present may elect any member (who must be an independent non-executive director) to chair a committee meeting.
- 1.3 The company secretary of the Company shall be the secretary (“Secretary”) of the Remuneration Committee. In the absence of the Company Secretary, his/her delegate(s) or any person elected by the members present at the meeting of the Remuneration Committee, shall attend the meeting of the Remuneration Committee and take minutes.
- 1.4 The appointment of the members of the Remuneration Committee may be revoked, replaced or additional members shall be appointed to the Remuneration Committee by separate resolutions passed by the Board and by the Remuneration Committee. An appointment of Remuneration Committee member shall be automatically revoked if such member ceases to be a member of the Board.

2. *Frequency and Proceedings of Meetings*

2.1 *Notice*

- (a) Unless otherwise agreed by all the Remuneration Committee members, a meeting of the Remuneration Committee shall be called by at least seven (7) days' notice. Such notice shall be sent to each member of the Remuneration Committee, and to any other person invited to attend. Irrespective of the length of notice being given, attendance of a Remuneration Committee member at a meeting constitutes a waiver of such notice unless the Remuneration Committee member attending the meeting attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting has not been properly convened.
- (b) A member of the Remuneration Committee may and, on the request of a member of the Remuneration Committee, the secretary to the Remuneration Committee shall, at any time summon a meeting of the Remuneration Committee. Notice shall be given to each member of the Remuneration Committee orally in person or in writing or by telephone or by telex or telegram or facsimile transmission at the telephone number or facsimile number or address from time to time notified to the secretary by such member of the Remuneration Committee or in such other means as the members may from time to time determine. Any notice given orally shall be confirmed in writing.
- (c) Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Remuneration Committee for the purposes of the meeting should generally be delivered to all Remuneration Committee members seven days (and in any event not less than three days) before the intended date of the Remuneration Committee meeting (or such other period as all the Remuneration Committee members may agree).

2.2 *Quorum*

The quorum of the Remuneration Committee meeting shall be two (2) members of the Remuneration Committee and one of them must be independent non-executive Director.

2.3 *Frequency of meetings*

- (a) Meetings shall be held at least once every one (1) year.
- (b) Additional meeting of the Remuneration Committee shall be held as the work of the Remuneration Committee demands or as convened by any Members at his discretion.

2.4 *Voting*

Resolutions of the Remuneration Committee at any meeting shall be passed by a majority of votes of the members of the Remuneration Committee present.

2.5 *Others*

Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

3. *Written resolutions*

A Resolutions in writing signed by all members of the Remuneration Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the Committee members.

No Remuneration Committee member may vote on any resolution of the Remuneration Committee regarding his own remuneration.

4. *Alternate members*

A member of the Remuneration Committee may not appoint any alternate.

5. *Duties*

The duties of the Remuneration Committee shall include, without limitation:

- (a) recommend to the Board the policy and structure for all remuneration of Directors and senior management (as defined in below), taking into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management, employment conditions elsewhere in the Company and its subsidiaries (collectively as the “**Group**”) and the desirability of performance-based remuneration. The Remuneration Committee should ensure that a significant proportion of executive Directors’ remuneration should be structured so as to link rewards to corporate and individual performance;
- (b) recommend to the Board a formal and transparent procedure for developing policy on such remuneration;

- (c) be responsible 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, by considering factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors and employment conditions elsewhere in the Group;
- (d) recommend for the Board's approval the remuneration of non-executive Directors, by considering factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors and employment conditions elsewhere in the Group;
- (e) 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 Company;
- (f) 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;
- (g) 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 (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- (h) ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (i) consult the chairman and/or chief executive officer of the Company about their proposal relating to the remuneration of other executive Directors;
- (j) conform to any requirements, direction, and regulation that may from time to time prescribed by the Board, the articles of association of the Company ("**Articles**") or any other applicable laws and regulations; and
- (k) To review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Note: "Senior management" refers to such persons disclosed in the Company's annual reports from time to time as senior management, which shall be determined by the Directors and may include directors of subsidiaries of the Company, heads of divisions, departments or other operating units within the Group.

6. Authority

The Company shall:

- (a) provide the Remuneration Committee with sufficient resources to discharge its duties including access to independence professional advice at the Company's expense as the Remuneration Committee considers necessary in discharge of its duties;
- (b) review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary;
- (c) provide the Remuneration Committee with adequate information in a timely manner to enable the Remuneration Committee to make informed decision; and
- (d) do any such things to enable the Remuneration Committee to properly discharge its powers and functions.

7. Reporting Procedure

- 7.1 The Remuneration Committee shall report to the Board on a regular basis. At the next meeting of the Board following a Meeting or the passing of any written resolution of the Remuneration Committee, the Chairman shall report such findings and recommendations of the Remuneration Committee to the Board.
- 7.2 Draft and final versions of minutes of the Meetings shall be circulated to all Members for their comment and records respectively, in both cases within a reasonable period of time after the Meeting. The Secretary shall also from time to time circulate the minutes of the Meetings and all written resolutions of the Remuneration Committee to all Directors.
- 7.3 The Secretary of the Remuneration Committee shall keep record of all meetings of the Remuneration Committee held during each financial year of the Company and records of individual attendance of members of the Remuneration Committee, on a named basis, at meetings held during that financial year.

8. Annual General Meeting

The Chairman or another Member of the Remuneration Committee shall attend the Company's annual general meeting and be prepared to respond to questions raised by shareholders on the Remuneration Committee's activities and responsibilities.

9. *Continuing applications of the Articles*

The Articles regulating the meetings and proceedings of the Directors so far as the same are applicable and not inconsistent with the provisions of these Regulations shall apply, *mutatis mutandis*, to regulate the meetings and proceedings of the Remuneration Committee.

10. *Power of the Board*

The Board may, subject to compliance with the Articles, the Listing Rules and any other applicable laws and regulations, amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments or supplements to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Remuneration Committee which would have been valid if such terms of reference or resolution had not been amended, supplemented or revoked.