



PAK FAH YEOW INTERNATIONAL LIMITED

白花油國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 239)

**TERMS OF REFERENCE FOR
THE REMUNERATION COMMITTEE**

** For identification purpose only*

Pak Fah Yeow International Limited

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Terms of Reference for the Remuneration Committee

Constitution

1. The Remuneration Committee (the “Committee”) was formed pursuant to the board resolution of Pak Fah Yeow International Limited (“the Company”) passed on 31 December 2004 and last revised on 30 March 2023.

Composition and Quorum

2. The Committee members shall be appointed by the board of directors (“the Board”) of the Company amongst the directors of the Company. A majority of the Committee members should be independent non-executive directors.

Members : The Committee shall consist of not less than 3 members

Quorum : 2

3. The chairman of the Committee should be independent non-executive director.
4. The meetings and proceedings are governed by the provisions contained in the by-laws of the Company for regulating meetings and proceedings of Directors.

Frequency and proceedings of meetings

5. The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.
6. Any members of the Committee or other attendees may participate in a meeting of the Committee by attending in person or by means of a telephone conference or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
7. With consent by all members of the Committee, resolutions of the Committee could be passed by written resolutions.
8. Any resolution shall be passed by the majority votes of the members of the Committee who attend the meeting and a majority vote of the members present shall represent an act of the Committee.

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9. The meetings and proceedings are governed by the provisions contained in this terms of reference and its bye-laws of the Company for regulating meetings and proceedings of Directors.

Notice of meetings

10. Meeting of the Committee shall be called by the chairman of the Committee or at the request of the Board.
11. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be issued to each member of the Committee and any other person required to attend, no fewer than 3 working days prior to the date of the meeting.

Authority

12. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
13. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

14. The duties of the Committee shall be: -
- (a) 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.
 - (b) To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objections.
 - (c) either :
 - (i) to determine, with delegated responsibility, the remunerations packages of individual executive directors and senior management; or

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- (ii) make recommendations to the Board on the remuneration packages of individual executive directors and senior management.

This shall include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

- (d) To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group.
- (e) To review and approve compensation payable to executive directors and senior management for any loss termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive.
- (f) To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they consistent with contractual terms and are otherwise reasonable and appropriate.
- (g) To make recommendations to the Board on the remuneration for non-executive directors.
- (h) To ensure that no director or any of their associates is involved in deciding that director's own remuneration.
- (i) To consult the chairman and/or the chief executive officer about their remuneration proposals for other executive directors and have access to independent professional advice if necessary.
- (j) To review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.
- (k) To exercise other powers and discretions authorized by the Board from time to time to perform its duties with regard to remuneration of executive Directors and senior management according to the Listing Rules.
- (l) To consider other topics as defined by the Board.

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Reporting procedures

15. Chairman of the Committee who chair the meetings or other member of the committee who is authorized by the chairman of the Committee to chair the meeting shall report to the Board after each meeting of the Committee.
16. The Committee should report to the Board on a regular basis on its decisions or recommendations and on the matters set out in these terms of reference, unless there are legal or regulatory restrictions on its ability to do so.
17. The secretary of the Committee or his representative shall circulate the minutes of meetings and reports of the Committee to all members of the Board.

Others

18. The chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the annual general meeting on the Committee's activities and their responsibilities.

Revised on 30 March 2023