



## **Alpha Professional Holdings Limited**

### **阿爾法企業控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 948)**

**(the “Company”)**

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

### **1. Membership**

- 1.1 The remuneration committee (the “**Committee**”) shall consist of not less than three members appointed by the board (the “**Board**”) of directors (the “**Directors**”) of the Company from time to time, with the majority of the members being independent non-executive Directors.
- 1.2 The Board shall nominate one of the independent non-executive Directors as the chairman of the Committee.
- 1.3 The Board may at any time remove, suspend or replace any member of the Committee at its option by resolution whereupon the Committee should consist of the remaining or replaced members of the Committee.
- 1.4 The company secretary of the Company shall act as the secretary of the Committee.

### **2. Frequency and Proceedings of Meetings**

- 2.1 The Committee shall meet at least once annually.
- 2.2 Additional meeting(s) shall be held as the work of the Committee demands and the chairman of the Committee may also convene additional meeting(s) at his/her discretion.
- 2.3 The quorum of a meeting shall be two Committee members.
- 2.4 Any members of the Committee or other attendees may participate in a meeting of the Committee by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 2.5 Proceedings of meetings of the Committee shall be governed by Clauses 117,118 and 120 of the bye-laws of the Company.
- 2.6 The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.

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### 3. Committee’s Resolutions

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

### 4. Duties, Powers and Functions

4.1 The Committee shall:

- (a) formulate remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, employment conditions, and responsibilities, and individual performance of the directors, senior management and the general staff of the Company and its subsidiaries (the “**Group**”). Performance shall be measured against corporate goals and objectives resolved by the Board from time to time; and implement the remuneration policy laid down by the Board;
- (b) without prejudice to the generality of the foregoing:
  - (i) establish guidelines for the recruitment of the chief executive and senior management of the Company;
  - (ii) recommend to the Board the policy and structure on the remuneration of all Directors, senior management and/or the chief executive of the Company as an ex-officio member whilst ensuring no Director or any of his/her associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) is involved in deciding his/her own remuneration, and on the establishment of a formal and transparent procedure for developing remuneration policy;
  - (iii) recommend to the Board on the remuneration packages of individual executive Directors (including the chief executive of the Company who is an ex-officio member) and senior management. This should include benefits in kind, pension right, and compensation payments, including any compensation payable for loss or termination of their office or appointment;

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- (iv) consult the chairman and/or the chief executive of the Company about their remuneration proposals for other executives Directors and/or proposals relating to the remuneration of the chief executive and/or senior management of the Company;
- (v) review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
- (vi) make recommendations to the Board on the remuneration of non-executive Directors, if any is subsequently appointed;
- (vii) review and approve the compensation payable to executive Directors and senior management for any loss or termination of their office or appointment, to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (viii) review and approve the 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;
- (ix) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (x) consider the annual performance bonus for executive Directors, senior management, and the general staff, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendation to the Board;
- (xi) engage such external independent professional advisors to assist and/or advise the Committee on issues as it considers necessary;
- (xii) make sure that the Directors’ remuneration policy, details of any remuneration payable to members of senior management of the Group by band and other remuneration related matters are disclosed in the annual reports of the Company;
- (xiii) do any such things to enable the Committee to discharge its duties, powers and functions conferred on it by the Board;

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- (xiv) conform and give due consideration to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by applicable legislation and regulations; and
- (xv) review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

4.2 The Committee shall be provided with sufficient resources to enable it to perform its duties, including the resources for seeking independent professional advice at the Company’s expense, when necessary.

#### **5. Reporting Procedures**

5.1 The Committee shall report to the Board on a regular basis on its decisions and/or recommendations unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

5.2 At the next meeting of the Board following a meeting and/or written resolutions of the Committee, the findings, recommendations and decisions of the Committee should be submitted to the Board.

*Updated as of 29 June 2023*

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