



# PERSISTENCE RESOURCES GROUP LTD

## 集海資源集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 2489)

### Terms of Reference of the Remuneration Committee (Adopted by the Board on 30 November, 2023)

#### 1. Constitution

The board of directors (“**Directors**”) of Persistence Resources Group Ltd (集海資源集團有限公司) (the “**Company**”) (the “**Board**”) has resolved the establishment of the remuneration committee of the Company (the “**Committee**”) on 30 November 2023 and has adopted the following terms as the terms of reference for the Committee.

#### 2. Membership

- 2.1 Members of the Committee shall be appointed by the Board from among the Directors and shall comprise not less than three members and a majority of independent non-executive Directors.
- 2.2 The term of each Committee member shall be the same as his/her term as a Director. Subject to the constitutions of the Company and the applicable laws and regulations, any member of the Committee may be re-appointed by the Board and continue to act as a member of the Committee upon the expiry of his/her term of appointment relating thereof.
- 2.3 A member of the Committee who ceases to be a member of the Board shall immediately and automatically cease to be a member of the Committee.
- 2.4 The chairman of the Committee (the “**Committee Chairman**”) shall be appointed by the Board from time to time and shall be an independent non-executive Director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

#### 3. Committee Secretary

The company secretary of the Company shall act as the secretary of the Committee (the “**Committee Secretary**”). The Committee may, from time to time, appoint any other person with the appropriate qualification and experience as the Committee Secretary. The Committee Secretary or in his/her absence, his/her representative or any one member of the Committee, shall be the secretary of the meeting.

#### 4. Frequency of Meetings

- 4.1 Meetings shall be held as and when appropriate, but at least once a year or at such frequency as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (the “**Listing Rules**”) or other regulatory requirements applicable to the Company from time to time. The Chairman may convene additional meetings at his discretion.
- 4.2 The Committee Chairman shall convene a meeting upon request by any member of the Committee.

#### 5. Conduct of Meetings

- 5.1 Unless specified by these terms of reference, meetings and proceedings of the Committee shall be governed by the Company’s articles of association regulating the meetings and proceedings of the Board.
- 5.2 A meeting of the Committee may be convened by any of its members through the company secretary of the Company.
- 5.3 Unless otherwise waived by all members of the Committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than 7 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.
- 5.4 The quorum of the Committee shall be any two members of the Committee. Meetings could be held in person, by telephone or by video conference. 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.
- 5.5 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the members of the Committee present. Subject to compliance with the Listing Rules and the applicable laws and regulations, 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.
- 5.6 The Committee may invite any member of the senior management of the Company (“**Senior Management**”), any Director, external advisers or any other persons to attend all or part of any meetings as the Committee considers appropriate, notwithstanding that the aforementioned persons shall not have a right to vote at such meetings.

5.7 Each member of the Committee shall disclose to the Committee:

5.7.1 any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Committee; or

5.7.2 any potential conflict of interest arising from directorships held in other companies.

Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Committee.

## **6. Annual General Meetings**

The Committee Chairman, or in his/her absence, another member of the Committee, or failing which his/her duly appointed alternate shall attend the annual general meetings of the Company and be available to answer questions thereat on the Committee's activities and its responsibilities.

## **7. Authority**

7.1 The Committee is authorised by the Board to act within these terms of reference and the relevant code provisions of the Corporate Governance Code as contained in the Appendix 14 to the Listing Rules. 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. The Committee is authorized by the Board to consult the chairman and/or the chief executive of the Company about their remuneration proposals for other executive Directors.

7.2 The Committee is authorised by the Board, at the Company's expense but subject to prior discussion with the Board on costs, to obtain outside legal or other independent professional advice if it considers necessary.

7.3 Management of the Company is obliged to supply the Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where a member of the Committee requires more information than the information provided voluntarily by the management of the Company, the relevant member of the Committee should make additional necessary enquiries. Each member of the Committee shall have separate and independent access to the management of the Company.

7.4 The Committee shall be provided with sufficient resources to perform its duties.

## 8. Duties

- 8.1 The duties of the Committee shall include, without limitation, the following:
- 8.1.1 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;
  - 8.1.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
  - 8.1.3 to make recommendations to the Board on the remuneration packages of individual executive Directors and Senior Management, which should include benefits in kind, pension rights and compensation payments, and any compensation payable for loss or termination of their office(s) or appointment(s), and to make recommendations to the Board on the remuneration of non-executive Directors;
  - 8.1.4 in determining such packages and arrangements, give due regard to any relevant legal requirements, and the provisions, guidelines and recommendations of related regulatory bodies;
  - 8.1.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and any of its subsidiaries;
  - 8.1.6 to review and approve compensation payable to executive Directors and Senior Management for any loss or termination of office(s) or appointment(s) to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
  - 8.1.7 to review annually the appropriateness and relevance of the remuneration policy;
  - 8.1.8 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;
  - 8.1.9 to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;
  - 8.1.10 to review and make recommendations on the roles and responsibilities, training and professional development of the Senior Management team;
  - 8.1.11 to form a view in respect of any service contracts of Directors that require the approval of the shareholders of the Company ("**Shareholders**") and advise the Shareholders (other than Shareholders who are Directors with material interests in

the service contracts and their associates) as to whether the terms are fair and reasonable, whether such contracts are in the interests of the Company and the Shareholders as a whole and advise the Shareholders on how to vote;

8.1.12 to consult the chairman of the Board and/or the chief executive of the Company about their remuneration proposals for other executive Directors. The Committee should have access to independent legal and professional advice if necessary;

8.1.13 to evaluate and make recommendations on any share option schemes that may be adopted by the Company from time to time;

8.1.14 to ensure that share options offered by the Company to its Directors or Senior Management (if any) are in accordance with Chapter 17 of the Listing Rules, as applicable;

8.1.15 to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules (including but not limited to the minimum vesting period, and any absence of performance targets and/or clawback mechanism for the grants of share options or awards to a Director or senior management of the Company, any change to the terms of options or awards granted to a participant under a share scheme of the Company, and amendments to the terms of such schemes, subject to the provisions of the schemes relating to amendment etc.);

8.1.16 ensure that all provisions regarding the disclosure of remuneration including pensions, as set out in the relevant provisions of the Listing Rules, are fulfilled;

8.1.17 at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and

8.1.18 make recommendations to the Board as it deems appropriate on any area within its scope of duties where action or improvement is needed.

8.2 In carrying out its duties under these terms of reference, the Committee should:

8.2.1 provide the remuneration packages sufficient to attract and retain Directors to run the Company successfully without paying more than is necessary;

8.2.2 be sensitive to the wider scene, including pay and employment conditions elsewhere, especially when determining annual salary increases;

8.2.3 ensure that the performance-related elements of remuneration form a significant proportion of the total remuneration package of executive Directors of the Company and should be designed to align their interest with those of shareholders of the Company and to give these Directors keen incentives to perform at the highest levels; and

8.2.4 ensure that executive share options (if any) are offered in accordance with the Listing Rules.

## **9. Reporting Procedures**

9.1 The Committee shall report to the Board the findings and recommendations after each meeting of the Committee, unless there are legal or regulatory restrictions on its ability to do so.

9.2 Where the Board resolves to approve any remuneration or compensation arrangements with which the Committee disagrees, the Board should disclose the reasons for its resolution in its next corporate governance report.

9.3 The Company should disclose details of any remuneration payable to members of senior management at least by band, or even on an individual and named basis as a best practice, in its annual reports with the endorsement of the Committee.

9.4 On an annual basis, the Committee shall evaluate and assess the effectiveness of the Committee and the adequacy of these Committee terms of reference and recommend any proposed changes to the Board.

9.5 Full minutes of the Committee's meetings should be recorded and kept by the Committee Secretary and shall be available for inspection at any reasonable time on prior reasonable notice by any Director.

9.6 Minutes of meetings of the Committee and the record of individual attendance at such meetings shall be prepared by the Company Secretary (or his/her delegate(s)). Those minutes should record in sufficient detail the matters considered and decisions reached, including any concerns raised by Committee members or dissenting views expressed. Draft and final versions of minutes should be sent to all members of the Committee for comment and records, respectively, in both cases as soon as practicable after the conclusion of any meeting of the Committee. Minutes of meetings of the Committee should be open for inspection at any reasonable time on reasonable notice by any member of the Board.

## **10. General**

10.1 These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements, including those under the Listing Rules.

10.2 The Committee shall make available these terms of reference on request and to the public by including them on The Stock Exchange of Hong Kong Limited's website and the Company's website.

(Should there be any inconsistency between the English and the Chinese version of these terms of reference, the English version shall prevail.)