



## Hong Kong Johnson Holdings Co., Ltd.

### 香港莊臣控股有限公司

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

**(Stock Code: 1955)**

## TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

### 1. Definitions

1.1 For the purposes of these terms of reference (the “**Terms**”):

“**Board**” means the board of directors of the Company (as defined below).

“**Company**” means Hong Kong Johnson Holdings Co., Ltd.

“**Company Secretary**” means the company secretary or any one of the joint company secretaries of the Company.

“**Directors**” mean the members of the Board.

“**Listing Rules**” means the Rules Governing the Listing of Securities on The Stock Exchange (as amended from time to time).

“**Remuneration Committee**” means the remuneration committee established by the resolution of the Board in accordance with clause 2 of these Terms.

“**Senior Management**” means the executive Directors and other members of senior management referred to in the Company’s most recent annual report and any such other officer of the Company determined by the Board from time to time as senior management of the Company.

“**Share Schemes**” or “**Schemes**” includes share option schemes or share award schemes or any share incentives plans/schemes adopted by the Company and/or its principal subsidiary (as defined under Chapter 17 of the Listing Rules) which are governed under Chapter 17 of the Listing Rules (as amended from time to time).

“**Shareholders**” mean the shareholders of the Company.

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited.

- 1.2 The word “remuneration”, as used in these Terms, includes without limitation any salaries, bonuses, allowances, benefits (in cash or in kind), pension arrangements, reimbursements, compensation payments (including any compensation payable for loss or termination of office or appointment), incentive payments and share options or share awards under Share Schemes.

## **2. Constitution**

The Remuneration Committee was established by resolutions of the Board on 3 September 2019.

## **3. Membership**

- 3.1 The members of the Remuneration Committee shall be appointed by the Board from time to time from among the Directors and shall consist of not less than three members, a majority of whom shall be independent non-executive Directors. There shall be one chairman of the Remuneration Committee, who shall be appointed by the Board and shall be an independent non-executive Director.

- 3.2 Each member of the Remuneration Committee shall disclose to the Remuneration Committee:

- 3.2.1 any personal financial interest (other than as a Shareholder of the Company) in any matter to be decided by the Remuneration Committee; or

- 3.2.2 any potential conflict of interest arising from a cross-directorship. Any such member shall abstain from voting on resolutions of the Remuneration 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 Remuneration Committee.

- 3.3 At the invitation of the chairman of the Remuneration Committee, the chairman of the Board and/or executive Directors, external advisors and other persons may be invited to attend the meetings.

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

## **4. Frequency and conduct of meetings**

- 4.1 Meetings shall be held at least once a year. A meeting shall be convened if necessary or upon the request of the chairman of the Remuneration Committee.

- 4.2 Notice of any meetings shall be given at least 7 working days prior to any such meeting being held, unless the members of the Remuneration Committee attending a particular meeting in person unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a member of the Remuneration Committee shall be deemed waiver of the requisite length of notice by such member. An agenda and accompanying meeting papers should be sent in full to all members of the Remuneration Committee in a timely manner and at least 3 days before the intended date of a meeting of the Remuneration Committee (or such other period as agreed by its members). The agenda and accompanying meeting papers may be in paper form or electronic form, and may be delivered by post, by email or any other delivery method that could be received by the members.
- 4.3 The quorum for meetings of the Remuneration Committee shall be two members. Members shall attend the meetings in person, or by telephone (or other similar communication equipment), as long as all the attendants of the meeting could listen and talk among themselves during the meeting. Under such circumstances, the attendants shall be considered as attending the meeting in person, counted in the quorum and entitled to vote.
- 4.4 Each member shall have one vote. Resolutions of the Remuneration Committee at any meetings shall be passed by a majority of votes of the members of the Remuneration Committee present. A resolution in writing signed by all the members of the Remuneration Committee shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.
- 4.5 The Senior Management is obliged to supply the Remuneration Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied by the Senior Management must be complete and reliable. Where a member of the Remuneration Committee requires more information than is volunteered by the Senior Management, the relevant member of the Remuneration Committee should make additional necessary enquiries. The Remuneration Committee and each of its members shall have separate and independent access to the Senior Management.

## **5. Authority**

- 5.1 The Remuneration Committee is authorised by the Board to discharge its duties within these Terms. The Remuneration Committee is authorised to seek any remuneration information it requires from the Directors and/or Senior Management who are directed to co-operate with the Remuneration Committee.
- 5.2 The Remuneration Committee is authorised by the Board to obtain external independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if the Remuneration Committee considers this necessary. The Remuneration Committee shall be provided with sufficient resources to discharge its duties. The Remuneration Committee should be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external remuneration advisors who advise the Remuneration Committee.

## 6. Duties

6.1 The duties of the Remuneration Committee shall include:

- 6.1.1 making recommendations to the Board on all the Company's remuneration policy and structure for the Directors and Senior Management and on the establishment of formal and transparent procedures for developing remuneration policy;
- 6.1.2 being responsible for either (i) determining, with delegated responsibility by the Board, the remuneration packages of the individual executive Directors and Senior Management; or (ii) making recommendations to the Board on the remuneration packages of individual executive Directors and Senior Management (this should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of office or appointment);
- 6.1.3 making recommendations to the Board on the remuneration of non-executive Directors;
- 6.1.4 considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company;
- 6.1.5 reviewing and approving the Senior Management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 6.1.6 reviewing and approving compensation payable to the executive Directors and Senior Management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and reasonable and not excessive;
- 6.1.7 reviewing and approving compensation arrangements relating to dismissal or removal of the Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- 6.1.8 ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration.

- 6.2 In carrying out its duties under these Terms, the Remuneration Committee should:
- 6.2.1 consult the chairman of the Board and/or the chief executive about its remuneration proposals for other executive Directors and have access to independent professional advice if necessary;
  - 6.2.2 provide the remuneration packages needed to attract, retain and motivate the executive Directors of the quality required without paying more than necessary;
  - 6.2.3 judge where to position the Company relative to other companies. It should be aware what comparable companies are paying and should take account of relative performance;
  - 6.2.4 be sensitive to the wider scene, including remuneration and employment conditions within the Company and elsewhere, especially when determining annual salary increments;
  - 6.2.5 ensure that the total remuneration package of the executive Directors are designed to align their interests with those of the Shareholders and to give the Directors incentives to perform at the highest levels; and
  - 6.2.6 to review and/or approve matters relating to Share Schemes under Chapter 17 of the Listing Rules
- 6.3 Without prejudice to the generality of these Terms, the Remuneration Committee shall:
- 6.3.1 operate the Share Schemes in compliance with Chapter 17 of the Listing Rules;
  - 6.3.2 liaise with the trustee of any Share Scheme (if applicable) which is created by the Company;
  - 6.3.3 review the terms of executive Directors' service contracts from time to time;
  - 6.3.4 advise the Board in relation to the preparation of the Board's remuneration report (if any) to the Shareholders; and
  - 6.3.5 handle any other designated matters as authorised by the Board.

## **7. Reporting procedures**

- 7.1 Minutes of the Remuneration Committee shall be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary), and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.
- 7.2 Minutes of the Remuneration Committee shall record in sufficient detail the matters considered by the Remuneration Committee and decisions reached, including any concerns raised by the Directors and its members or dissenting views expressed. The draft and final versions of minutes should be sent to all members of the Remuneration Committee for their comment and records within a reasonable time after the meetings.
- 7.3 Without prejudice to the generality of the duties of the Remuneration Committee set out in these Terms, the Remuneration Committee shall report to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.

## **8. Annual General Meetings**

The chairman of the Remuneration Committee, or in his/her absence, another member of the Remuneration 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 Remuneration Committee's activities and its responsibilities.

## **9. Terms available**

The Remuneration Committee shall make available these Terms by inclusion on the website of the Stock Exchange and the Company's official website for corporate communications.

*This document was prepared in English language. In case of any inconsistency between the Chinese version and the English version, the English version shall prevail.*

27 March 2024