

SINOMAX GROUP LIMITED
盛諾集團有限公司

**Terms of Reference of
the Remuneration Committee of the Board of Directors**

Sinomax Group Limited

盛諾集團有限公司

(the “**Company**”, together with its subsidiaries, the “**Group**”)

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

*(Adopted by the board of directors of the Company on 4 March 2014
and amended by the board of directors of the Company on 4 July 2024
to take effect from 4 July 2024)*

1 Constitution

The Remuneration Committee (“**Committee**”) is established by the board of directors (“**Board**”) of the Company in accordance with the Corporate Governance Code under the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), to advise it on the establishment and administration of a formal and transparent procedure for the formation of remuneration policies applicable to directors, Senior Management and employees of the Company and its subsidiaries and on their remuneration packages. If the Company fails to set up a remuneration committee, the Company shall immediately publish an announcement containing the relevant details and reasons. The Board must approve and provide written terms of reference for the remuneration committee which clearly set out the Committee’s authority and duties.

2 Membership

- 2.1 Members of the Committee shall be appointed by the Board from the directors of the Company and the Committee shall consist of at least three members. The majority of members shall be independent non-executive directors. The quorum for a Committee meeting shall be at least two members.
- 2.2 The chairman of the Committee shall be an independent non-executive director of the Company appointed by the Board.

- 2.3 Members of the Committee shall share the same term of office with that of the directors of the Company. The members may, upon the expiry of their term in office, offer themselves for re-election. During this period, if any member is no longer the director of the Company, his/her Committee membership shall be terminated automatically. The Board shall fill the vacancy according to paragraphs 2.1 and 2.2 above.
- 2.4 The company secretary of the Company shall serve as the administrator of the Committee and is responsible for its daily administration and meeting organisation. The human resources department of the Company shall serve as the executive division of the Committee.

3 Secretary of the Committee

The secretary of the Committee shall be the company secretary of the Company or other individuals appointed by the Committee from time to time.

4 Meeting

- 4.1 The Committee shall hold regular meetings and temporary meetings. Regular meetings shall be convened at least once a year. Temporary meeting shall be convened when proposed by a Committee member.
- 4.2 Any provision in the Company's Articles of Association applicable to the convening and proceedings of Board meeting shall be deemed applicable to the Committee meeting with all adjustments having been made thereto.
- 4.3 Before a Committee meeting, the members shall report their interests in the matters to be discussed at the meeting. If any matters to be discussed involve conflicts of interests with a member or any of his/her associates (as defined in the Listing Rules), the member shall neither vote and nor be counted towards the quorum.

5 Authority

- 5.1 The Committee has been authorised by the Board to conduct investigations within the scope of these Terms of Reference. It is also authorised to seek any information it requires from any employees, all of whom shall co-operate with any reasonable request made by the Committee.
- 5.2 The Committee shall consult the chairman of the Board and the president of the Company about its proposals on the remuneration of executive directors of the Company and shall have access to professional advice if it deems necessary.
- 5.3 The secretary of the Committee is authorised by the Board to seek any information required for the Committee members to perform their duties.
- 5.4 The Committee shall be provided with sufficient resources to perform its duties.

6 Duties

- 6.1 The duties of the Committee shall include but shall not be limited to the following:
 - (a) to study and make recommendations or proposals to the Board on the Company's policy and structure for remuneration of all directors of the Company and Senior Management, on the Company's incentive schemes and on the establishment of a formal and transparent procedure for formulating and developing the remuneration policies and incentive schemes;
 - (b) to determine, with the authorisation from the Board, the specific remuneration packages of all executive directors of the Company 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, and make recommendations to the Board on the remuneration of non-executive directors of the Company. The Committee shall consider factors such as salaries paid by comparable companies, time commitments and responsibilities of the directors, employment conditions of other positions in the Group and the practicability of performance-based remuneration;

- (c) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives approved by the Board from time to time;
- (d) to review and approve the compensation payable to executive directors of the Company and Senior Management in connection with any loss or termination of their office or appointment to ensure that such compensation is consistent with relevant contractual terms and is otherwise fair and not excessive for the Company;
- (e) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are consistent with relevant contractual terms and are otherwise reasonable and appropriate;
- (f) to ensure that no director or any of his/her associates (as defined in the Listing Rules) is involved in deciding such director's own remuneration;
- (g) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and
- (h) any other duties and authority which may be assigned or granted to the Committee by the Board from time to time.

Note: The Committee shall advise shareholders of the Company on how to vote with respect to any service contracts of directors that require shareholders' approval (under Rule 13.68 of the Listing Rules).

6.2 The scope of authority and responsibility of the Committee shall be made public, to explain its roles and the authorities conferred by the Board shall be explained.

7 Reporting Procedure

7.1 Minutes of the Committee meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the company secretary of the Company), and such minutes shall be available for inspection at any reasonable time on reasonable notice by any director of the Company.

- 7.2 Minutes of meetings of the Committee shall record in sufficient details the matters considered by the Committee and decisions reached, including any concerns raised by directors, members or dissenting views expressed. Draft and final versions of the minutes shall be sent to all members of the Committee for their comments and records respectively within a reasonable time after a meeting.
- 7.3 Without prejudice to the generality of the duties of the Committee set out in these Terms of Reference, the Committee shall report back 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 (such as a restriction on disclosure due to regulatory requirements).

8 Annual General Meeting

If required by the Board, the chairman of the Committee (or in his absence, another member of the Committee or his/her duly appointed representative) shall attend the Annual General Meeting of the Company and be prepared to respond to any shareholder's question on the Committee's activities and its responsibilities.

9 Powers of the Board

- 9.1 The power to interpret these Terms of Reference shall vest in the Board.
- 9.2 These Terms of Reference (as amended from time to time) shall come into force after being reviewed and approved by the Board.

10 Others

The English version and the Chinese version of these Terms of Reference shall be published on the Company's website and the Stock Exchange's website.

Note: For the purpose of these Terms of Reference, "Senior Management" refers to the same category of persons as referred to in the company's annual report and has the same meaning as "senior manager(s)" who is required to be disclosed under paragraph 12 of Appendix D2 to the Listing Rules.