ARRAIL 瑞尔

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Arrail Group Limited

瑞爾集團有限公司

(Incorporated in the British Virgin Islands with limited liability and continued in the Cayman Islands)

(hereafter referred to as the "**Company**")

(Stock Code: 6639)

REMUNERATION COMMITTEE – TERMS OF REFERENCE

Adopted on December 1, 2021 and amended on December 28, 2022 and September 21, 2026, respectively

1. Members

1.1 The remuneration committee of the Company (the "**Remuneration Committee**") should be established by the board of directors of the Company (the "**Board**") and it should comprise a majority of independent non-executive directors.

1.2 The Remuneration Committee must be chaired by an independent non-executive director and appointed by the Board.

1.3 The terms of appointment to Remuneration Committee members should be determined by the Board at the appointment date.

2. Secretary

2.1 The company secretary of the Company shall act as the secretary of the Remuneration Committee.

2.2 The Remuneration Committee may from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the Remuneration Committee.

3. Meeting

3.1 The Remuneration Committee should meet at least once a year.

3.2 Due notice should be given for any meeting, unless such notification is waived by all members of the Remuneration Committee. Notwithstanding the notification period, the attendance of the member of the Remuneration Committee at the meeting would be deemed to be treated as the waiver of the required notification requirement.

3.3 The quorum necessary for the transaction of business of the Remuneration Committee shall be two members of the Remuneration Committee, one of whom must be an independent non-executive director.

3.4 Meeting can be attended in person or via electronic means including telephone or videoconferencing. The members of the Remuneration Committee can attend the meeting via telephone or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).

3.5 Resolutions of the Remuneration Committee shall be passed by more than half of its members.

3.6 A resolution passed and signed by all members of the Remuneration Committee is valid, and the validity is the same as any resolution passed in the meeting held.

3.7 Full minutes of Remuneration Committee meeting should be kept by the company secretary or the duly appointed secretary of the Remuneration Committee and be available for review by the directors. Draft and final versions of minutes of the meeting should be sent to all members of the Remuneration Committee for their comment and records, within a reasonable time after the meeting. The minutes shall record in sufficient detail the matters considered and decisions reached by the Remuneration Committee, including any concerns raised or dissenting views expressed by the members of the Remuneration Committee.

3.8 Where a matter concerning a member of the Remuneration Committee is to be considered at a meeting, such member shall abstain from participating in the consideration of, and voting on, such matter.

3.9 Members attending a meeting shall keep confidential all matters discussed at the meeting and shall not disclose any relevant information without proper authority.

4. Meeting Attendance

4.1 Upon the invitation from the Remuneration Committee, the chairman or chairlady of the Board and/or the general manager or the chief executive officer, the chief financial officer, external advisor and other persons can be invited to attend all or part of any meeting.

4.2 Only the members of the Remuneration Committee can vote in the meeting, and any person invited to attend a meeting pursuant to paragraph 4.1 shall not vote.

5. Annual General Meeting

5.1 The chairman or chairlady of the Remuneration Committee or (if absent) the other member of Remuneration Committee (must be an independent non-executive director) should attend the annual general meeting of the Company, handle the shareholders' enquiry on the activities and responsibilities related to the Remuneration Committee.

6. Duties and Powers

The Remuneration Committee shall have the following duties and powers:

6.1 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;

6.2 to ensure that any remuneration incentive scheme for any director or senior management of the Company is reviewed and approved by the Remuneration Committee before implementation; to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

6.3 to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include fixed pay, annual bonuses, benefits in kind, pension rights, compensation payments (including any compensation payable for loss or termination of their office or appointment), incentive payments, share options, share awards or other incentive awards;

6.4 to make recommendations to the Board on the remuneration of non-executive directors;

6.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;

6.6 to review and approve the compensation payable to 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 not excessive;

6.7 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;

6.8 to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration; and

6.9 to review and/or approve matters relating to share schemes under Chapter 17 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);

6.10 to comply with any requirements, directions and regulations that may from time to time be contained in the memorandum and articles of association of the Company or imposed by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") or applicable laws and regulations.

7. Reporting

7.1 The chairman or chairlady of the Remuneration Committee, or another member authorised by the chairman or chairlady, shall report to the Board after each of its meetings.

8. Authority

8.1 The Remuneration Committee should consult the chairman or chairlady of the Board and/or the chief executive officer about their remuneration proposals for other executive directors.

8.2 The Remuneration Committee is authorised by the Board to review, assess, approve and make recommendations on any matter within its scope of authority.

8.3 The Remuneration Committee is authorised to request the senior management of the Company to provide any required resources or information related to the remuneration package to perform its duties.

8.4 The Remuneration Committee should have access to independent professional advice at the Company's expense if necessary, to perform the responsibilities of the Remuneration Committee.

Note: the independent professional advice can be sought via the chief financial officer or the company secretary.

8.5 The Remuneration Committee should be provided with sufficient resources to perform its duties.

9. Publication

9.1 These terms of reference shall be made available on the websites of the Company and The Stock Exchange of Hong Kong Limited.

Note: "senior management" refers to the same persons referred to in the Company's annual report. It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the Company's directors, is appropriate.