



Sky Blue 11 Company Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 1010)

(the “Company”)

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

1. MEMBERSHIP

- 1.1 Members of the Remuneration Committee shall be appointed by the board of directors (the “**Board**”) of the Company.
- 1.2 The Remuneration Committee must be chaired by independent non-executive directors (“**INED(s)**”) and comprise a majority of the INEDs.

2 CHAIRMAN

- 2.1 The chairman of the Remuneration Committee shall be appointed by the Board and must be an INED.

3 SECRETARY

- 3.1 The company secretary shall be the secretary of the Remuneration Committee. In the absence of the company secretary, his/her delegate(s) or any person elected by the members present at the meeting of the Remuneration Committee, shall attend the meeting of the Remuneration Committee and take minutes.

4 PROCEEDINGS OF THE REMUNERATION COMMITTEE

Unless otherwise specified hereunder, the provisions contained in the Company’s Bye-laws (as amended from time to time) for regulating meetings and proceedings of directors shall apply to the meetings and proceedings of the Remuneration Committee.

4.1 Quorum

4.1.1 The quorum for meetings of the Remuneration Committee shall be any two members.

4.2 Frequency of meetings

4.2.1 The Remuneration Committee shall hold at least one regular meeting in a year. Additional meetings of the Remuneration Committee may be held as and when required.

4.3 Attendance at meetings

4.3.1 Members of the Remuneration Committee may attend meetings of the Remuneration Committee either in person or through other electronic means of communication or in such other manner as the members may agree.

4.3.2 The other directors, company secretary (or his/her delegate(s)), Head of Human Resources and relevant senior management and person(s) invited by a Committee member shall normally attend meetings of the Remuneration Committee.

4.4 Notice of meetings

4.4.1 A meeting of the Remuneration Committee may be convened by any of its members or by the company secretary.

4.4.2 Unless otherwise agreed by all the members of the Remuneration Committee, notice of at least 7 days shall be given for a regular meeting of the Remuneration Committee. For all other meetings of the Remuneration Committee, reasonable notice shall be given.

4.4.3 Agenda and accompanying supporting papers shall be sent to all members of the Remuneration Committee and to other attendees as appropriate at least 3 days before the date of the meeting (or such other period as the members may agree).

4.5 Minutes of meetings

4.5.1 Draft and final versions of minutes of Remuneration Committee meetings shall be sent to all Remuneration Committee members for their comment and records within a reasonable time after the meeting.

4.5.2 Minutes of the Remuneration Committee shall be kept by the company secretary and shall be available for inspection by any member of the Remuneration Committee or the Board at any reasonable time on reasonable notice.

4.6 Written resolutions

4.6.1 Without prejudice to any requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), written resolution may be passed and adopted by all members of the Remuneration Committee.

5 RESPONSIBILITIES AND AUTHORITIES OF THE REMUNERATION COMMITTEE

5.1 The responsibilities and authorities of the Remuneration Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 of the Listing Rules (as amended from time to time).

5.2 Without prejudice to any requirement under the CG Code, the duties of the Remuneration Committee include the following:

- (a) 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.
- (b) to review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives.
- (c) either:
 - (i) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or
 - (ii) to make 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 their office or appointment.

- (d) to make recommendations to the Board on the remuneration of non-executive directors.
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group.
- (f) to review and approve 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.
- (g) 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 that are otherwise reasonable and appropriate.
- (h) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration.
- (i) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

5.3 The Remuneration Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Hong Kong Stock Exchange's website and the Company's website.

5.4 The Remuneration Committee shall be provided with sufficient resources to perform its duties and shall have access to independent professional advice if necessary.

5.5 All members of the Remuneration Committee shall have access to the advice and services of the company secretary, and separate and independent access to the Company's senior management for obtaining necessary information.

- 5.6 The Company shall disclose the director's remuneration policy, details of any remuneration payable to members of senior management by band and other remuneration related matters in their annual reports.
- 5.7 If Clause 5.2(c)(ii) is adopted, where the Board resolves to approve any remuneration or compensation arrangements with which the Remuneration Committee disagrees, the Board shall disclose the reasons for its resolution in its next Corporate Governance Report.
- 5.8 A significant proportion of executive directors' remuneration shall link rewards to corporate and individual performance.
- 5.9 The Company shall disclose details of any remuneration payable to members of senior management, on an individual and named basis, in its annual reports.
- 5.10 The Company shall not grant equity-based remuneration (e.g. share options or grants) with performance-related elements to independent non-executive directors as this may lead to bias in its decision-making and compromise its objectivity and independence.

6 REPORTING RESPONSIBILITIES

- 6.1 The Committee shall evaluate and assess its effectiveness and the adequacy of these Terms of Reference on an annual basis (or from time to time) and recommend any proposed changes to the Board.
- 6.2 The Remuneration Committee should consult the chairman of the Board and/or Chief Executive Officer about their remuneration proposals for other executive directors. The Remuneration Committee should have access to independent professional advice if necessary.
- 6.3 The Remuneration Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

7 ANNUAL GENERAL MEETING

- 7.1 The chairman of the Remuneration Committee or in his/her absence, another member of the Remuneration Committee or failing this, his/her duly appointed delegate, shall attend the annual general meeting of the Company (in person or by electronic means where permitted by applicable laws, regulations and constitutional documents) and be prepared to respond to questions at the annual general meeting on the Remuneration Committee's work and responsibilities.

Note: If there is any inconsistency between the English and Chinese versions of this Terms of Reference, the English version shall prevail.

Adopted on 2 March 2012

Amended on 1 September 2019

Amended on 28 September 2026