



## Zhou Hei Ya International Holdings Company Limited

### 周黑鴨國際控股有限公司

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

**(Stock Code: 1458)**

## TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

### Constitution

1. The remuneration committee (the “**Committee**”) is established pursuant to a resolution passed by the board of directors (the “**Board**”) of Zhou Hei Ya International Holdings Company Limited (the “**Company**”) on October 24, 2016.

### Membership

2. Members of the Committee shall be appointed by the Board and shall comprise such number of directors of the Company as the Board may determine, provided a majority of the Committee shall comprise members who are independent non-executive directors of the Company.
3. Unless otherwise determined by the Board, the minimum number of members of the Committee shall be three. If a member resigns, ceases to be a director or for any other reason ceases to be a member of the Committee resulting in a reduction of the number of members below the minimum, the Board shall, within three months of that event, appoint such number of new members as may be required to make up the minimum.
4. The chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director. In the absence of the chairman, the remaining members present shall elect one of themselves to chair the meeting. The chairman of the Board shall not be the chairman of the Committee.
5. The Board or the Committee shall from time to time appoint any particular member of the Committee or any officer or employee of the Company or its subsidiaries as the secretary of the Committee. In the absence of the secretary of the Committee, the remaining members present shall elect one of themselves or appoint another person as the secretary for that meeting.

### **Frequency of meetings**

6. The Committee shall meet at least once a year. Additional meetings may be held as and when required.

### **Notice of meetings**

7. A meeting of the Committee may be convened by any of its members or the secretary of the Committee.
8. Unless otherwise agreed by all the members of the Committee, notice of each meeting stating the time, date and place of the meeting shall be given to each member of the Committee and any other person invited to attend at least seven days prior to the date of the meeting.
9. Agenda and any supporting documents and papers shall be forwarded to each member of the Committee and any other person invited to attend at least three days prior to the date of the meeting (or such other period as the members may agree).

### **Proceedings of meetings and resolutions**

10. No business shall be transacted at any meeting of the Committee unless a quorum is present. The quorum of a meeting shall be two members of the Committee (at least one of whom should be an independent non-executive director).
11. Only members of the Committee have the right to attend Committee meetings. Other persons including but not limited to any director, management, external advisor or consultant may be invited by the Committee to attend for all or part of any meeting as and when appropriate.
12. Meetings of the Committee may be held either in person or through electronic means of communication or in such other manner as the members may agree.
13. Questions arising at any meeting shall be determined by a majority of votes of the members of the Committee present. Each member of the Committee shall have one vote. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote.
14. Members must abstain from voting in respect of any resolution which he/she is an interested party.

15. A resolution in writing signed by all members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee. Any such resolution may be contained in a single document or may consist of several documents in like form each signed by one or more of the members of the Committee.
16. Draft and final versions of minutes of the Committee meetings shall be sent to all Committee members for their comment and records respectively within a reasonable time after the meeting.
17. The secretary of the Committee shall cause full minutes with sufficient details to be made in books to be provided for the purpose of the proceedings of all meetings of the Committee and of the attendances thereat and of all business transacted, resolutions passed and orders made at such meetings. Such minutes of meetings of the Committee shall be open for inspection at any reasonable time on reasonable notice by any Director. Any such minutes of any meeting, if purporting to be signed by the chairman of such meeting or by the chairman of the next succeeding meeting of the Committee, shall be sufficient evidence without any further proof of the facts therein stated.
18. Save as otherwise provided herein expressly, proceedings of meetings of the Committee shall be governed by the provision of the articles of association of the Company for regulating the proceedings of meetings of the Board *mutatis mutandis*.

#### **Authority**

19. The authorities of the Committee shall include such authorities set out in the relevant code provisions of the Corporate Governance Code and Corporate Governance Report (the “**Corporate Governance Code and Corporate Governance Report**”) as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (as amended from time to time).
20. The Committee is authorized by the Board to seek any information it requires from the management of the Company in order to perform its duties.
21. The Committee is authorized by the Board to obtain any independent professional advice, at the Company’s expense, from any person if it considers necessary to perform its duties.

22. The Committee is to be provided with sufficient resources to discharge its duties.
23. The Committee shall consult the chairman of the Board and/or the chief executive officer of the Company about its proposals relating to the remuneration of other executive directors.

### **Duties and functions**

24. The duties and functions of the Committee shall include such duties and functions set out in the relevant code provisions of the Corporate Governance Code and Corporate Governance Report. Without prejudice to the foregoing, the Committee shall:-
  - (a) 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) determine the policy for the remuneration of executive directors, assess performance of executive directors and approve the terms of executive directors' service contracts;
  - (c) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
  - (d) either:
    - (i) determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or
    - (ii) 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;

  - (e) make recommendations to the Board on the remuneration of non-executive directors;
  - (f) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;

- (g) 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;
- (h) 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;
- (i) ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;
- (j) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and
- (k) consider other topics as defined or directed by the Board.

### **Reporting procedures**

- 25. The Committee shall report directly to the Board on its findings, decisions and/or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as restriction on disclosure due to regulatory requirements). At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings, decisions and/or recommendations of the Committee to the Board. The secretary of the Committee shall also circulate the minutes of meetings, reports and/or written resolutions (if any) of the Committee to all members of the Board.

### **Corporate Governance report**

- 26. The work of the Committee during each financial year shall be summarized in the corporate governance report which constitutes part of the annual report.
- 27. The Company should disclose details of any remuneration payable to members of senior management by band in its annual reports.

### **Annual general meeting**

- 28. The chairman of the Committee or in his/her absence, another member of the Committee or failing this, his/her duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to answer questions at the annual general meeting on the Committee's work and its responsibilities.

## **Amendment**

29. Subject to the compliance with the articles of association of the Company and the Listing Rules, any amendment to these terms of reference shall be authorized by the Board.

## **Publication**

30. The Committee shall make available these terms of reference by publishing them on the websites of The Stock Exchange of Hong Kong Limited and the Company.

### *Note:*

- 1 Senior management refers to the same category of persons as referred to in the Company's latest published annual report.

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