

**ROYAL CENTURY RESOURCES HOLDINGS LIMITED**

仁德資源控股有限公司

*(Incorporated in Hong Kong with limited liability)*

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**REMUNERATION COMMITTEE  
TERMS OF REFERENCE**

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*Constitution*

1. The board of directors (the “**Board**”) of Royal Century Resources Holdings Limited (the “**Company**”) which together with its subsidiaries, the “**Group**”) has resolved to establish a committee of the Board to be known as the Remuneration Committee (the “**Committee**”) at a meeting held on 30 June 2014.

*Membership and Quorum*

2. Members of the Committee (the “**Member(s)**”) shall be appointed by the Board from amongst the directors of the Company (the “**Director(s)**”) and shall consist of not less than three members, a majority of whom shall be independent non-executive Directors. A quorum shall be two members. If a Member shall cease to assume the responsibilities of a Director, that member shall automatically lose the qualifications as a Member and the Board shall appoint a new Member to complement the number of Members in the Committee.
3. The chairman of the Committee (the “**Chairman**”) shall either be the chairman of the Board or an independent non-executive director and appointed by the Board.
4. The company secretary of the Company (or his/her delegate) shall be the secretary of the Committee (the “**Secretary**”).
5. The appointment of the Members may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.

*Authority and Duties*

6. The authority of the Committee is derived from the Board, therefore the Committee is obliged to report to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so.
7. The Committee is authorised by the Board to perform its duties within the scope of these terms of reference and the Group should provide the Committee with sufficient resources to perform its duties.
8. Each member of the Committee shall disclose to the Committee:
  - (a) any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Committee; or

- (b) any actual or potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the 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 Committee.

9. The Committee may exercise the following powers:

- (a) to review any proposed service contract with any Director or senior management before such contract is entered into and to make recommendation to the Company for any changes to the proposed terms of such contract;
- (b) to make recommendations regarding the remuneration, bonuses and welfare benefits of the executive Directors and the senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (c) to obtain outside legal or other independent professional advice at the cost of the Company on any matters within these terms of reference as it considers necessary;
- (d) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and
- (e) to exercise such powers as the Committee may consider necessary and expedient so that their duties under paragraph 10 below can be properly discharged.

10. The duties of the Committee shall be:

- (a) to formulate remuneration policy for directors of the Company and senior management of the Group for the approval of the Board, which shall take into consideration factors such as salaries paid by comparable companies, employment conditions and responsibilities, and individual performance of the directors, senior management which shall be measured against corporate goals and objectives resolved by the Board from time to time; and implement the remuneration policy laid down by the Board;
- (b) to make recommendations to the Board on the Group's policy and structure for all directors (including chief executive who is an ex-officio) and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (c) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (d) to make recommendations to the Board on the remuneration packages of individual executive directors (including chief executive who is an ex-officio) and senior management of the Group, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- (e) to consider salaries paid by comparable companies in the industry in which the Company operates and their time commitment and responsibilities, and employment conditions;
- (f) to make recommendations to the Board on the remuneration of non-executive directors;
- (g) to review and approve compensation payable to executive directors and senior management of the Group 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) 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;
- (i) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;
- (j) to consider the performance bonus (if any) for executive directors and senior management (if applicable), having regard to their achievements against the performance criteria and by reference to market norms, and make recommendations to the Board; and
- (k) to consider other topics and review other documents as may be reasonably requested by the Board from time to time.

#### ***Overriding principles***

- 11. Remuneration levels should be sufficient to attract and retain Directors to run the company successfully without paying more than necessary.
- 12. No Director should be involved in deciding his own remuneration.
- 13. The Committee shall consult the Board about its proposal relating to the selection of individuals nominated for directorship and at the expenses of the Group, have access to independent professional advice to perform its responsibilities where it considers necessary.
- 14. The procedure for setting policy on executive Directors' remuneration and all Directors' remuneration packages should be formal and transparent.

#### ***Meetings***

- 15. The Committee shall meet as and when necessary or as requested by any Committee member.
- 16. Notice
  - (a) Unless otherwise agreed by all the Committee members (either orally or in writing), a meeting shall be called by at least seven days' notice.

- (b) Notice shall be given to each Committee member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone number or facsimile number or address or email address from time to time notified to the Secretary by such Committee member or in such other manner as the Committee members may from time to time determine.
  - (c) In respect of regular meetings of the Committee to be held as mentioned in paragraph 22 below, and so far as practicable for all other meetings of the Committee, the agenda and accompanying papers shall be sent to all the members of the Committee in a timely manner and at least 3 working days before the intended date of the meeting of the Committee (or such other period as all the Committee members may agree).
17. Senior management is obliged to supply the Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable provided voluntarily by senior management. Where a Member requires more information than is volunteered by senior management, the relevant Member should make additional necessary enquiries. Each Member shall have separate and independent access to the senior management. The Committee shall meet not less than once a year.
  18. The meetings and proceedings of the Committee shall follow the provisions of the Articles of Association of the Company for regulating the meetings and proceedings of the Board so far as the same are applicable and are not replaced by the provisions in these terms of reference.
  19. In the case of an equality of votes at a meeting of the Committee, the chairman of the meeting shall have the casting vote.

#### ***Reporting Procedures***

20. The Secretary shall keep minutes of each Committee's meeting. Draft and final versions of minutes of the Committee's meetings shall be sent to all members of the Committee for their comments and records respectively, in both cases within a reasonable time from such meeting.
21. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board, unless a conflict of interest exists or for the reasons mentioned in paragraph 8(b).
22. The Committee should report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report to the Board on the findings and recommendations of the Committee.

Adopted by the Board on 30 June 2014 and revised by the Board on 17 December 2018.

(In case of any discrepancy between the Chinese and English versions, the English version shall prevail.)