

Hysan Development Company Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00014)

Remuneration Committee**Terms of Reference**

(amended and restated with effect from 1 March 2024)

1. Objectives

The Committee supports the Board as follows:

- 1.1 reviewing remuneration policies for directors and senior management; and
- 1.2 reviewing and recommending remuneration packages for directors and senior management, and ensuring that the remuneration packages commensurate with their qualifications and competencies and are appropriate in the best interests of the Company and its shareholders.

2. Membership

- 2.1 Members of the Committee (as nominated by the nomination committee of the Company) shall be appointed by the Board, where appropriate, in consultation with the Committee Chairman. The Committee shall consist of not less than three members and a majority of whom shall be Independent Non-Executive Directors.
- 2.2 The chairman of the Committee shall be appointed by the Board from among the Independent Non-executive Directors. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of the members to chair the meeting.

3. Attendance

- 3.1 The Committee Chairman may invite the Chairman of the Board, the Chief Executive Officer, Head of Human Resources, other senior management or external advisor to attend any meeting(s) of the Committee as the Committee Chairman may from time to time consider desirable to assist the Committee in the discharge of its responsibilities.

4. Secretary

The Committee Chairman shall nominate a secretary to the Committee.

5. Quorum and Proceedings

- 5.1 The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

- 5.2 Proceedings of the meetings shall be governed by the provision of the Articles of Association of the Company.

6. Frequency of Meetings

- 6.1 The Committee shall meet at least once a year and as otherwise required.
- 6.2 In-camera meeting, may be called as either a stand-alone meeting or as a separate private meeting at the end of a regularly scheduled Committee meeting. Management may or may not be invited, at the discretion of the Committee Chairman. Any in-camera meeting so convened as a separate private meeting before or at the end of a scheduled Committee meeting shall be recorded in the minutes of the meeting. Matters discussed “in-camera” are not to be discussed outside the meeting by those in attendance.

7. Notice of Meetings

- 7.1 Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its members.
- 7.2 Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda of topics to be discussed, shall be circulated to each member of the Committee and any other person required to attend at least 14 days before the date of the meeting. Supporting papers shall be circulated to Committee members and to other attendees as appropriate at least five days in advance of the meeting.

8. Minutes of Meetings

- 8.1 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance.
- 8.2 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.3 Minutes of the Committee meetings should be circulated to all members for their comments and, if in order, for record within a reasonable time after each meeting.

9. Annual General Meeting

The Committee Chairman should, as far as practicable, attend the annual general meeting of the Company and make himself/herself available to respond to any shareholders' questions on the Committee's activities and responsibilities.

10. Duties

10.1 The Committee shall:

- 10.1.1 consider management recommendation, and determine the framework and broad policy for the remuneration, review and decide the remuneration (including performance-related pay schemes and long-term incentive arrangements) of the executive Directors and senior management of the Company;
- 10.1.2 review the ongoing appropriateness and relevance of the remuneration framework and policy;
- 10.1.3 review and make recommendations to the Board on the fees of independent non-executive Directors, non-executive Directors and Board committee members prior to approval at the Annual General Meeting;
- 10.1.4 ensure no director or any of his associates may be involved in any decisions as to his own remuneration;
- 10.1.5 consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- 10.1.6 agree the procedures for establishing a formal and transparent procedure for determining targets for any performance-related pay schemes for executive Directors;
- 10.1.7 determine the policy for and scope of pension arrangements for each executive Director;
- 10.1.8 review and approve compensation payable to executive Directors and senior management of the Company 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;
- 10.1.9 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;
- 10.1.10 within the terms of the agreed policy, determine the total individual remuneration package of each executive director including, where appropriate, bonuses, incentive payments and share options/awards;
- 10.1.11 in determining such packages and arrangements, give due regard to the contents of applicable corporate governance codes as well as the Listing Rules and associated guidance;

- 10.1.12 consider management recommendation for the introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval;
- 10.1.13 consider management recommendation for major changes to the rules of the Group's pension scheme, or changes of trustees or changes in the fund management arrangements;
- 10.1.14 consider management recommendation for key terms of new compensation and benefit plans (including separation programme), with a material financial, reputational or strategic impact;
- 10.1.15 ensure that provisions regarding disclosure of remuneration in the Company's annual report are fulfilled;
- 10.1.16 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 10.1.17 make available the Committee's terms of reference;
- 10.1.18 when appropriate review and, where necessary, make recommendations to the Board for the updating of the Committee's terms of reference; and
- 10.1.19 review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules, if any.

11. Reporting Responsibilities

- 11.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

12. Authority

The Committee is authorized to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference.

Definitions:

“**Board**” shall mean the board of directors of the Company.

“**Committee**” shall mean the Remuneration Committee of the Company.

“**Company**” shall mean Hysan Development Company Limited.

“**Director(s)**” shall mean the director(s) of the Company.

“**Group**” shall mean the Company and its subsidiaries.

“**Listing Rules**” shall mean the rules governing the listing of securities made by The Stock Exchange of Hong Kong Limited (as amended from time to time).
