



MIGAO GROUP HOLDINGS LIMITED

米高集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 9879)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

The remuneration committee (the “**Committee**”) of Migao Group Holdings Limited (the “**Company**”) was established pursuant to a resolution of the board (the “**Board**”) of directors (the “**Directors**”) of the Company on 28 February 2024. Set out below are the terms of reference (the “**Terms of Reference**”) of the Committee. The Terms of Reference are available in viewing in English and Chinese. If there is any inconsistency between the English and Chinese versions of the Terms of Reference, the English version shall prevail.

1. PURPOSE

1.1. The purpose of the Committee is to make recommendations to the Board in determining the policy and structure for the remuneration of Directors and senior management of the Company including remuneration packages, bonuses and other compensation, to establish a formal and transparent procedure for developing remuneration policy, to evaluate the performance of Directors and senior management of the Company, to review and approve the terms of incentive schemes and Directors’ service contracts, and to recommend the remuneration packages for all Directors and senior management of the Company.

2. COMPOSITION

2.1. The Committee shall consist of at least three members appointed by the Board from time to time and shall consist of a majority of independent non-executive Directors who shall meet the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (as amended from time to time).

2.2. The Board shall appoint one member of the Committee as the chairperson (the “**Chairperson**”), who must be an independent non-executive Director.

3. MEETINGS

3.1. Unless otherwise specified hereunder, the provisions contained in the Company’s articles of association (the “**Articles**”) (as amended from time to time) for regulating meetings and proceedings of Directors shall apply to the meetings and proceedings of the Committee.

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

- 3.3. The Committee shall meet at least once annually, or more frequently if circumstances require.
- 3.4. Members of the Committee may be represented at a meeting of the Committee by an alternate appointed by him or her.
- 3.5. The Chairperson shall be responsible for leading the Committee, including scheduling meetings, preparing agendas, and making regular reports to the Board.
- 3.6. A meeting of the Committee may be convened by any of its members.
- 3.7. A quorum shall be two members of the Committee, one of whom shall be an independent non-executive Director who meet the independence requirements set out in Rule 3.13 of the Listing Rules.
- 3.8. Unless otherwise agreed by all the members of the Committee, notice of at least seven days shall be given for a regular meeting of the Committee. For all other meetings of the Committee, reasonable notice shall be given. The Chairperson shall determine whether or not a meeting of the Committee is a regular meeting.
- 3.9. The agenda and accompanying supporting papers shall be sent to all members of the Committee and to other attendees as appropriate at least three days before the date of the meeting (or such other period as the members may agree).
- 3.10. Each member shall have one voting right. Subject to the Articles, questions arising at any meeting of the Committee shall be decided by a majority of votes, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 3.11. The members of the Committee shall appoint a secretary of the Committee (the “**Secretary**”) to take minutes. In the absence of the Secretary, his/her delegate(s) or any person elected by the members present at the meeting of the Committee, shall attend the meeting of the Committee and take minutes. Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the Chairperson or the Secretary of the meeting or succeeding meeting.
- 3.12. Full minutes of meeting of the Committee shall be kept by the Secretary or the company secretary of the Company. They shall be open for inspection at any reasonable time on reasonable notice by any Director.
- 3.13. Minutes of meetings of the Committee and the record of individual attendance at such meetings shall be prepared by the Secretary which shall be sent to all members of the Committee within a reasonable time after the conclusion of any meeting of the Committee for their comment and records. For the purposes of recording attendance only, the attendance of an alternate of members of the Committee will not be counted as attendance by the relevant member of the Committee himself or herself. The minutes of meetings shall record details of the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed.
- 3.14. Without prejudice to any requirement under the Listing Rules, a resolution in writing signed by all of the members of the Committee (or their respective alternate) shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

4. ACCESS

- 4.1. The Committee shall have full access to management and may invite members of management or others to attend its meetings. The Committee is authorised to seek any information it requires from any employee of the Company, and all employees are directed to co-operate with any request made by the Committee.
- 4.2. The Company should provide the Committee with sufficient resources to perform its duties, including but not limited to obtaining independent professional advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company if necessary.

5. REPORTING PROCEDURES

- 5.1. The Committee shall evaluate and assess its effectiveness and the adequacy of these Terms of Reference from time to time and recommend any proposed changes to the Board.
- 5.2. The Committee shall consult the chairperson of the Board and/or the chief executive officer of the Company about the remuneration proposals of executive Directors, and also seek independent professional advice if considered necessary.
- 5.3. The 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).
- 5.4. Where the Board resolves to approve any remuneration or compensation arrangement with which the Committee disagrees, the Board should disclose the reasons for its resolution in its next corporate governance report.
- 5.5. The Company should disclose details of any remuneration payable to members of senior management at least by band, or even on an individual and named basis as a best practice, in its annual reports with the endorsement of the Committee.

6. AUTHORITY

- 6.1. The authorities and responsibilities of the 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).

7. RESPONSIBILITIES AND DUTIES

7.1. Without prejudice to any requirements under the CG Code, the duties of the Committee shall include the following:

- (a) to make recommendations to the Board on the Company's policy and structure for the remuneration of all the Directors and senior management of the Company 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 corporate goals and objectives;
- (c) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Company, including 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 factors such as the level of remuneration paid by comparable companies, the time commitment and responsibilities of Directors and senior management of the Company, and the employment conditions of the Company and its subsidiaries;
- (f) to ensure that no Director or any of his/her associates is involved in deciding his or her own remuneration. For the avoidance of doubt, members of the Committee must not be involved in deciding his or her own remuneration;
- (g) to review and approve compensation payments and arrangements to Directors and senior management of the Company for loss or termination of their office or appointment, or dismissal or removal for misconduct and to assess whether the proposed payments or arrangements are fair, not excessive, reasonable, consistent with the relevant contractual terms, or otherwise appropriate;
- (h) where the service contract of a Director or proposed Director or its subsidiaries is required to be approved by the shareholder of the Company pursuant to Rule 13.68 of the Listing Rules, the Committee (or an independent board committee) shall form a view in respect of such service contract and advise shareholders of the Company (other than shareholders who are Directors with a material interest in such service contract and their associates) as to whether the terms are fair and reasonable, advise whether such service contract is in the interests of the Company and its shareholders and a whole and advise shareholders on how to vote;
- (i) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and
- (j) to consider all other matters as referred to the Committee by the Board.

7.2. In carrying out its duties under these terms of reference, the Committee should:

- (a) provide the remuneration packages sufficient to attract and retain Directors to run the Company successfully without paying more than is necessary;
- (b) be sensitive to the wider scene, including pay and employment conditions elsewhere, especially when determining annual salary increases;
- (c) ensure that the performance-related elements of remuneration form a significant proportion of the total remuneration package of executive Directors of the Company and should be designed to align their interest with those of shareholders of the Company and to give these Directors keen incentives to perform at the highest level; and
- (d) ensure the executive share options (if any) are offered in accordance with the Listing Rules.

8. ANNUAL GENERAL MEETING

8.1. The Chairperson or in his or her absence, another member of the Committee or failing this, his or her duly appointed delegate, shall attend the annual general meeting (the “AGM”) of the Company and be prepared to respond to questions at the AGM on the Committee’s work and responsibilities.