



## **XXF GROUP HOLDINGS LIMITED**

### **喜相逢集團控股有限公司**

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

**(Stock Code: 2473)**

## **TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

### **CONSTITUTION**

1. The remuneration committee (the “**Committee**”) of XXF Group Holdings Limited (the “**Company**”) was established pursuant to a resolution passed by the board of directors of the Company (the “**Board**”) on 9 October 2023. These terms of reference of the Committee were adopted by the Board on 9 October 2023 and were last revised by the Board on 26 March 2024.

### **MEMBERSHIP**

2. The members of the Committee shall be appointed by the Board and shall consist of not less than three members, a majority of whom shall be independent non-executive directors of the Company.
3. The chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director of the Company.
4. If a member resigns, ceases to be a director of the Company 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.

### **COMMITTEE SECRETARY**

5. The company secretary of the Company or his/her delegate shall act as the secretary of the Committee.

## **QUORUM AND VOTING**

6. The quorum of the Committee's meeting shall be two Committee members, at least one of whom shall be an independent non-executive director of the Company. Questions arising at any Committee's meeting shall be decided by a majority of votes. In the case of equality of votes, the chairman of the meeting shall have an additional or casting vote.

## **ATTENDANCE AT MEETINGS**

7. Members of the Committee may participate in any meetings of the Committee either in person or by means of a conference telephone or similar communications by which all persons participating in the meeting can hear each other.
8. The Committee may invite any executive director of the Company and/or any other person(s) to attend part or whole of its meetings as it may at its absolute discretion think as necessary. Other Board members shall also have the right to attend (but shall have no right to vote at) any of the Committee's meetings. However, no directors or senior management of any member of the Group or any of their respective associates may attend that part of the Committee's meeting at which any matters relating to his or her or their remuneration will be discussed and/or decided.

## **FREQUENCY OF MEETINGS**

9. The Committee will meet as and when required to discharge its responsibilities, but not less than once annually. Meetings of the Committee should be called as soon as practicable when there is a proposed change in the terms of remuneration of directors or senior management of the Group or their appointment or resignation.

## **NOTICES OF MEETINGS**

10. All meetings of the Committee will be called by the secretary or the chairman of the Committee or any persons as instructed by the chairman of the Committee, or at the request of the Board.
11. Unless otherwise agreed by all members of the Committee, notices of at least seven days shall be given to all members of the Committee for meetings of the Committee.
12. Agenda and any meeting 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).

## PROCEDURES OF MEETINGS AND RESOLUTIONS

13. Unless otherwise stated herein, the meetings are governed by the provisions contained in the articles of association of the Company (the “**Articles**”) for regulating the meetings and proceedings of directors of the Company.
14. 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.
15. The minutes of meetings of the Committee shall be kept by the secretary of the Committee. Minutes of meetings of the Committee shall record in sufficient detail of the matters considered and decisions reached, including any concerns raised by directors of the Company or dissenting views expressed. Such minutes of meetings of the Committee shall be kept by a duly appointed secretary of the meeting and open for inspection at any reasonable time on reasonable notice by any director of the Company. 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.
16. The draft and final versions of each minutes of the Committee’s meeting shall be sent to all Committee members for their comments and records within a reasonable period of time after the meeting was held.
17. A resolution in writing signed by all Committee members shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the Committee members.

## AUTHORITY

18. The authorities of the Committee shall include such authorities set out in the relevant code provisions of the Corporate Governance Code (the “**Corporate Governance Code**”) as contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (as amended from time to time).
19. The Committee is authorised by the Board:
  - (a) to obtain any information it requires from the management of the Company or any relevant parties of the Company who are directed to co-operate with the Remuneration Committee in order to perform its duties; and
  - (b) to obtain or retain external independent professional advice at the Company’s expenses as appropriate to perform its duties.

20. The Committee is to be provided with sufficient resources to perform its duties.

## **DUTIES**

21. The duties of the Committee shall be:

- (a) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration 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 but without limitation 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 the contractual terms and that are otherwise reasonable and appropriate;
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (i) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and
- (j) to consider other topics as defined or directed by the Board.

## **REPORTING PROCEDURES**

22. The chairman of the Committee shall report formally to the Board on the Committee's proceedings after each meeting on its findings, decisions and/or recommendations within its duties and responsibilities, unless there are legal or regulatory restrictions on it to do so. 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**

23. The work of the Committee during each financial year shall be summarized in the corporate governance report which constitutes part of the annual report.
24. The Company should disclose the directors' remuneration policy, details of any remuneration payable to members of senior management by band and other remuneration related matters in its annual reports.

## **ANNUAL GENERAL MEETING**

25. 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**

26. Subject to the compliance with the Articles and the Listing Rules, any amendment to these terms of reference shall be authorised by the Board.

## **PUBLICATION**

27. 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.

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