



HONGHUA GROUP LIMITED

宏華集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 196)

薪酬委員會職權及責任範圍守則

Terms of Reference of the Remuneration Committee

1. 總則 General Rules

1.1 本公司根據《香港聯合交易所有限公司證券上市規則》（“《上市規則》”）及《上市規則》附錄 C1《企業管治守則》規定，成立薪酬委員會（“委員會”），委員會之權力、責任及具體職責概述如下。

The Remuneration Committee (the “**Committee**”) was established by the Company in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Corporate Governance Code of Appendix C1 of the Listing Rules. The authority, responsibilities and specific responsibilities of the Committee are summarized as below.

1.2 成立委員會之目標為協助本公司董事會（“**董事會**”）制定正規而具透明度的公司董事、高級管理人員的薪酬政策、程序與架構或向董事會提供建議。

The Committee is formed to assist the Board of Director of the Company (the “**Board**”) for formulating a formal and transparency remuneration policy, procedure and structure of the directors and senior management of the Company or making recommendations to the Board on this regard.

2. 成員 Membership

2.1 委員會之成員由董事會從公司董事中挑選和委任，委員會由最少三名委員組成，其中獨立非執行董事必須超過半數。

The members of the Committee shall be selected and appointed by the Board from amongst the directors and shall consist of at least three members, a majority of whom should be independent non-executive directors.

2.2 委員會主席須由董事會任命，及必須由獨立非執行董事擔任。

The Chairman of the Committee shall be appointed by the Board. The Chairman of the Committee must be chaired by independent non-executive director.

2.3 委員會的任期與董事任期一致，任期屆滿，可連選連任。就任期間如有委員不再擔任公司董事，將自動失去委員資格，並由董事會根據上述第 2.1 及 2.2 條規定補足委員人數。補充委員的任職期限截至該屆董事會任期結束。

The term of office of the Committee shall be consistent with that of the directors. At the expiration of their terms, the members may be eligible for re-election. When a member does not serve as the Company's director any more before its term expires, he/she shall be automatically disqualified for the member of the Committee; and the Committee shall make up the number of members with new candidates determined in accordance with the provisions in the clauses 2.1 and 2.2. The substitute member(s) shall hold office until the expiration of his/her term of office at the Board.

2.4 委員會委員可以在任期屆滿前向董事會提交書面辭職報告，但辭職報告中必須對任何與其辭職有關或其認為有必要引起董事會和公司股東注意的情況進行說明。

A member of the Committee may tender his/her resignation report in writing to the Board before expiry of his/her term, in which he/she shall make explanation on any matter in respect of his/her resignation or other things, in his/her opinion, that need to be brought to the attention of the Board and shareholders of the Company.

2.5 委員會的秘書由董事會秘書或由委員會不時指定的人士擔任。

The Secretary of the Committee shall be the Board secretary or other individuals appointed by the Committee from time to time.

2.6 委員會辦公室設在董事會辦公室，董事會辦公室負責薪酬委員會日常聯絡、會議組織、議題分解等工作。人力資源部門負責委員會有關業務工作。

The office of the Committee is set in the office of the Board, which is responsible for such works as daily liaison, organization of meetings, subject decomposition, etc. The Human Resources Department is in charge of operation works relating to the Committee.

3. 職責權限 Responsibilities and Authorities

3.1 本委員會應承擔以下職責：The Committee shall have the following responsibilities:

3.1.1 就公司董事及高級管理人員的全體薪酬政策及架構、對公司的激勵機制進行研究，及就設立正規而具透明度的程序制訂此等薪酬政策和激勵機制，向董事會提出建議或方案，供董事會審議；

to study and make recommendations or proposals to the Board for its review on the Company's policy and structure for remuneration of all directors and senior management, on the Company's incentive systems and on the establishment of a formal and transparent procedure for developing the remuneration policies and incentive systems;

3.1.2 向董事會建議個別執行董事及高級管理人員的薪酬待遇；

to make recommendations to the Board on the remuneration of individual executive directors and senior management;

此包括非金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任的賠償）。
This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

3.1.3 就非執行董事的薪酬向董事會提出建議；

to make recommendations to the Board on the remuneration of non-executive directors;

3.1.4 委員會應考慮的因素包括同類公司支付的薪酬、董事需付出的時間及董事職責、集團內其它職位的雇用條件及是否應該按表現厘定薪酬等；

The Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions of other positions in the Group and the practicability of performance-based remuneration;

3.1.5 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；

to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

3.1.6 檢討及批准向本公司執行董事及高級管理人員支付與喪失或終止職務或委任有關的賠償，以確保該等賠償按有關合約條款釐定；若未能按有關合約條款釐定，賠償亦須公平合理，不會對公司造成過重負擔；

to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is consistent with relevant contractual terms and is otherwise fair and not excessive for the Company;

3.1.7 檢討及批准因本公司董事行為失當而被解雇或罷免有關董事所涉及的賠償安排，以確保該等安排按有關合約條款釐定；若未能按有關合約條款釐定，有關賠償亦須合理適當；

to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are consistent with relevant contractual terms and are otherwise reasonable and appropriate;

to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration; and

注：薪酬委員會須向公司股東建議如何就任何須（根據《上市規則》第 13.68 條的規定）取得公司股東批准的公司董事服務合同進行表決。

Note: The Committee shall advise shareholders of the Company on how to vote with respect to any service contracts of directors that require shareholders' approval (under Rule 13.68 of the Listing Rules).

3.1.8 審閱《上市規則》第十七章所述有關股份計畫的事宜;及

to review matters relating to share schemes under Chapter 17 of the Listing Rules ; and

3.1.9 董事會授權的其他事宜。

Other matters authorized by the Board.

3.2 委員會對董事會負責。委員會依據相關法律法規、規範性文件及公司章程規定，結合實際，形成提案後提交董事會考慮或通過。

The Committee shall be accountable to the Board. It shall prepare proposals based on the reality and submit the same to the Board for consideration or approval according to the requirements of relevant laws, regulations and normative documents as well as the Company's articles of association.

4. 會議程序 Proceedings of Meetings

4.1 委員會每年應最少召開一次會議。委員會亦可在有需要時召開臨時會議。

Meetings shall be held not less than once a year by the Committee. The Committee may hold temporary meetings as necessary.

4.2 委員會會議由委員會主席召集，若委員會主席因特殊原因不能召集，應由委員會主席指定的其他委員召集。

Meetings of the Committee shall be convened by the Chairman of the Committee. If the Chairman of the Committee is unable to convene the meeting for special reasons, the meeting shall be convened by another member designated by the Chairman of the Committee.

4.3 委員會需於召開會議前至少5天發出通知給全體委員及列席人員，除非全體成員一致通過豁免該通知。不論所作出之通知期的長短，成員出席會議將被視為該成員豁免所需之通知期。會議議案及相關資料須於會議召開前3天或委員會協議的合理期限內發送給全體委員及列席人員。在緊急情況時，在確認通知到達全體委員的前提下，可以召開臨時會議，不受前述會議通知時間的限制。

Prior notice of at least 5 days should be given to all members and attendees for any Committee meeting, unless such notification is waived by all members of the Committee. Notwithstanding the notification period, the attendance of the member of the Committee at the meetings would be deemed to be treated as the waiver of the required notification requirement. Resolutions and relevant materials shall be sent to all members and attendees within 3 days prior to the meeting or within a reasonable time limit as agreed by the Committee. In case of emergency, an extraordinary meeting may be convened not subject to the aforesaid time limit for sending notice provided that all members have confirmed their receipt of such notice.

4.4 委員會會議應由二分之一以上委員出席方可舉行；每名委員均有一票，委員會在任何會議上的決議均應以出席成員的多數票獲通過，如果票數相同，則委員會主席擁有最終決定的一票。由委員會全體成員簽署之書面決議案亦被視為有效，猶如其已於委員會正式召開及舉行之會議上獲通過一樣。

The Committee meeting can only be convened with the attendance of at least half of the members; each member of the Committee in the meetings shall carry one vote and resolutions of the Committee at any meetings shall be passed by a majority of votes of the members present, and in the case of an equal number of votes, the Chairman of the Committee shall have one vote for the final decision. Written resolutions signed by all members of the Committee shall also be deemed to be valid as if they had been passed at the meeting duly convened and held by the Committee.

4.5 委員會會議由委員會主席主持。若委員會主席因故不能主持會議時，可委託其中一名委員或由半數以上參會委員共同推舉一名委員主持會議。

The Committee meeting shall be chaired by the Chairman of the Committee. If the Chairman of the Committee is unable to chair the meeting, he/she may delegate such to a member or to a member elected by more than half of the members present at the meetings.

4.6 委員會會議必要時可邀請公司其他董事及高級管理人員列席會議。

Other directors and senior management of the Company may be invited as attendees at the Committee meetings when necessary.

4.7 薪酬委員會應就公司執行董事的薪酬建議諮詢董事會主席及/或行政總裁，如認為需要，亦可索取獨立專業意見。

The Remuneration Committee shall consult the Chairman of the Board and/or the Chief Executive Officer about its proposals on the remuneration of executive directors of the Company and shall have access to professional advice if it deems necessary.

4.8 委員會討論有關委員會委員的議題時，當事人應回避。

A Committee member shall withdraw from any discussion held by the Committee which concerns himself/herself.

4.9 公司應向委員會提供充足資源以履行其職責，如有必要，委員會可以聘請中介機構為其決策提供獨立專業意見，費用由公司支付。

The Company should provide the Committee with sufficient resources to perform its responsibilities. Where necessary, the Committee may appoint intermediary agencies to provide independent professional advice for its decisions-making, at the Company's expense.

5. 匯報程序 Reporting Procedures

委員會應向董事會匯報，並且在每次委員會會議之後的下一期董事會會議上，主席須向董事會匯報委員會的調查結果及建議，除非對其如此行事的能力存在法律或監管限制。

The Committee shall report to the Board. At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report the findings and recommendations to the Board, unless there are any legal or regulatory restrictions on its ability to do so.

6. 會議記錄 Minutes of Meetings

委員會的會議記錄應對會議上所考慮事項及大致的決定做足夠詳細的記錄，其中應該包括委員提出的任何疑慮或表達的反對意見。會議記錄應由委員會秘書保存，並應於會議結束後合理時段內先後將會議記錄的初稿及最終定稿發送全體委員，初稿供委員審閱及表達意見，最後定稿則作其記錄之用。

Minutes of the Committee meetings shall record in sufficient detail the matters considered and the general decisions taken at the meetings, including any concerns raised or objections expressed by members. Minutes shall be kept by the secretary of the Committee, who shall circulate the draft and final versions of minutes of the Committee meetings to all members of the Committee within a reasonable period after the meeting. The draft is for members to review and provide comments, and the final version is for record purpose.

7. 職責權限之公佈 Publication of the Responsibilities and Authorities

委員會須提供其職權範圍，並將其上載至香港聯合交易所有限公司及本公司網站，從而解釋委員會的角色職責及董事會所授予其之權力。

The Committee shall make available these terms of reference, explaining its roles and responsibilities and the authority delegated to it by the Board by publishing them on the websites of The Stock Exchange of Hong Kong Limited and the Company.

8. 董事會權力 Powers of the Board

8.1 本守則解釋權歸屬董事會。

The right to interpret these terms of reference shall reside with the Board.

8.2 本守則自董事會審議通過後實施。

These terms of reference shall enter into force upon review and approval by the Board.