



TUNGTEX (HOLDINGS) COMPANY LIMITED

同得仕（集團）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00518)

Terms of Reference of the Remuneration Committee

Constitution

The board of directors (the “Board”) of Tungtex (Holdings) Company Limited (the “Company”) had, in the past, resolved to establish a Committee of the Board to be known as the Remuneration Committee (the “Committee”).

Membership

1. The Committee shall consist of not less than three members appointed by the Board, a majority of whom shall be independent non-executive directors.
2. The Chairman of the Committee shall be appointed by the Board and should be an independent non-executive director.
3. The Company Secretary of the Company or his/her delegate shall be the secretary of the Committee.

Frequency and proceedings of meetings

4. The Committee shall meet as its business requires and as determined by its members. The Committee shall meet at least once a year.
5. The quorum for a meeting shall be two members, of whom at least one shall be independent non-executive director.
6. Proceedings of meeting of the Committee shall be governed by the provisions contained in the Company’s Articles of Association for regulating the meetings.

7. Full minutes shall be kept by the secretary of the Committee. Draft and final versions of minutes shall be circulated to all members of the Committee for their comments and records respectively, within a reasonable period of time after the meeting. Such minutes shall be open for directors' inspection.

Authority

8. The Committee shall report directly to the Board and shall consult the Chairman of the Board and/or Managing Director about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice if necessary.
9. The Committee shall be provided with sufficient resources to perform its duties.
10. The Committee is authorized to perform any activity within its terms of reference.

Duties, powers and functions

11. The duties, powers and functions of the Committee are as follows:
 - (a) to make recommendations to the Board on the Company's policy and structure for all directors and senior management remuneration 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 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 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, 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 contractual terms and are otherwise reasonable and appropriate;
- (h) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration; and
- (i) to review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reporting Procedures

12. The Committee shall 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 the findings and recommendations of the Committee to the Board, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

Note: If there is any inconsistency between the English and Chinese versions of this Terms of Reference, the English version shall prevail.

Updated on 24 March 2023