



DONGYUE GROUP LIMITED

東岳集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 189)

TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

Terms of reference for Remuneration Committee

(Amended on 30 December 2022)

Definitions:

For the purpose of these terms of reference (the “**Terms**”)

“**Board**” means the board of directors of the Company

“**Company Secretary**” means the company secretary of the Company

“**Directors**” means the members of the Board

“**Group**” means the Company and its subsidiaries

“**Listing Rules**” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“**Remuneration Committee**” means the remuneration committee established by the resolution of the Board in accordance with the Terms

“**Senior Management**” means any senior officer of the Group mentioned in the annual report of the Company from time to time as senior management of the Group

“**Shareholders**” means the shareholders of the Company

The word “remuneration”, as used in the Terms, includes, without limitation, any salaries, bonuses, allowances, benefits (in cash or in kind), pension arrangements, compensation payments (including any compensation payable for loss or termination of office or appointment), incentive payments and share options.

Constitution

The Board has resolved to establish a committee of the Board to be known as Remuneration Committee

Membership

The members of the Remuneration Committee shall be appointed by the Board from time to time comprising a majority of independent non-executive Directors and chaired by an independent non-executive Director. A quorum shall be two members.

Each member of the Remuneration Committee shall disclose to the Remuneration Committee:

- (a) any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Committee; or
- (b) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Remuneration Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions.

Frequency and conduct of meetings

Meetings shall be held at least once a year. The chairman of the Remuneration Committee shall convene a meeting.

An agenda and accompanying papers should be sent in full to all members of the Remuneration Committee in a timely manner and at least 3 days before the intended date of a meeting of the Remuneration Committee (or such other period as agreed by its members)

Directors and/or Senior Management is obliged to supply the Remuneration Committee with adequate information in a timely manner, in order to enable it to make informed decisions. Where a member of the Committee requires more information than is volunteered by Directors and/or Senior Management, the relevant member should make additional necessary enquiries.

Annual General Meeting

The chairman of the Remuneration Committee shall, as far as practicable, attend the Company's annual general meetings and be prepared to respond to any Shareholder's questions on the Remuneration Committee's activities.

Authority

The Remuneration Committee is authorized by the Board to discharge its duties within the Terms. It is authorized to seek any remuneration information it requires from the Directors and/or Senior Management who are directed to co-operate with the Remuneration Committee.

The Remuneration Committee is authorized by the Board to obtain external independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Remuneration Committee shall be provided with sufficient resources to discharge its duties.

Duties

The duties of the Remuneration Committee shall include:

- (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) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and Senior Management (for the purpose of this paragraph, the remuneration packages 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 and responsibilities and employment conditions elsewhere;
- (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 is 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 and implement other matters, as defined or assigned by the Board or otherwise required by the Listing Rules from time to time.

Reporting Procedures

Minutes of the Remuneration Committee's meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary), and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.

Draft and final versions of minutes of such meetings should be sent to all members of the Remuneration Committee for their comment and records respectively, in both cases within a reasonable time after such meetings.

Without prejudice to the generality of the duties of the Remuneration Committee set out in the Terms, the Remuneration Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.