

# **EDICO Holdings Limited**

**鉅京控股有限公司\***

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

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

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Adopted by resolution of the Board of Directors on 16th January 2018

Revised by the Board of Directors on 5th February 2020

\* *For identification purpose only*

**EDICO Holdings Limited**  
**鉅京控股有限公司\***  
(the “Company”)

**Terms of Reference of the Remuneration Committee**  
**(the “Committee”)**

**Membership**

1. The Committee shall consist of not less than three members appointed by the board of directors of the Company (the “**Director(s)**” and the “**Board**”, respectively), the majority of whom shall be independent non-executive Directors (the “**INEDs**”) in accordance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.
2. The Board shall nominate one of the members of the Committee, who is an INED as the chairman of the Committee.

**Frequency and proceedings of meetings**

3. The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.
4. The chairman of the Committee may convene additional meetings at his discretion.
5. The quorum of a meeting shall be two members of the Committee.
6. The Committee may, from time to time, invite advisors to the meeting, including but not limited to external independent professional advisors or consultants to advise its members.
7. Proceedings of meetings of the Committee shall be governed by article 117 and article 118 of the articles of association of the Company or any other applicable regulations as may be considered appropriate and/or adopted by the Company from time to time.

**Duties, powers and functions**

8. The Committee shall:
  - (a) formulate remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, employment conditions, responsibilities, and individual performance of the Directors, senior management and the general staff of the Company. Performance shall be measured against corporate goals and objectives resolved by the Board from time to time; and implement the remuneration policy laid down by the Board;

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- (b) without prejudice to the generality of the foregoing:
- (i) establish guidelines for the recruitment of Directors and senior management of the Company (the “**Senior Management**”);
  - (ii) recommend to the Board on the policy and structure for the remuneration of the Directors and the Senior Management and on the establishment of a formal and transparent procedure for developing a remuneration policy;
  - (iii) review and approve the management’s remuneration proposals by reference to the Board’s corporate goals and objectives;
  - (iv) make recommendations to the Board on the remuneration packages of individual executive Directors and the Senior Management, including benefits in kind, pension rights, compensation payments (including compensation payable for the loss or termination of office or appointment etc.) if considered appropriate. The chairman of the Board and/or the chief executive of the Company shall be consulted respectively about their remuneration proposals for other executive Directors and/or the Senior Management, as the case may be;
  - (v) make recommendations to the Board on the remuneration of non-executive Directors (including the INEDs);
  - (vi) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
  - (vii) review and approve the compensation payable to executive Directors and the Senior Management for any loss or termination of the office or appointment to ensure that it is consistent with the contractual terms and is otherwise fair and not excessive;
  - (viii) review and approve compensation arrangements relating to the dismissal or removal of Directors for misconduct to ensure that they are consistent with the contractual terms and are otherwise reasonable and appropriate;
  - (ix) ensure that no Director or member of the Senior Management or any of their respective associates is involved in deciding his own remuneration;
  - (x) determine the criteria for assessing employee performance, which should reflect the Company’s business objectives and targets;
  - (xi) consider the annual performance bonus for the Directors, the Senior Management and the general staff of the Company, having regard to their respective achievements against the performance criteria and by reference to market norms, and make recommendation to the Board accordingly;
  - (xii) engage such external independent professional advisors or consultants to assist and/or advise the Committee on issues as it considers necessary;

(xiii) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and

(xiv) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the applicable legislation and regulation.

### **Reporting procedures**

9. 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 to do so.

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