

# **DAOHE GLOBAL GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

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

The following terms of reference of the remuneration committee (“**Committee**”) were adopted by the board of directors (“**Board**”) of Daohe Global Group Limited (“**Company**”) (the Company and its subsidiaries are hereinafter collectively referred to as the “**Group**”) on 16 March 2005, as amended by the Board with effect from 16 September 2011, 1 April 2012, 30 August 2022 and 21 December 2022.

### **Constitution**

1. The Committee was established by a resolution passed at the Board meeting on 22 April 2002.

### **Membership**

2. The Committee shall be appointed by the Board and shall consist of a minimum of three members, a majority of whom should be independent non-executive directors.
3. The chairman of the Committee shall be appointed by the Board or elected among the Committee members and shall be an independent non-executive director of the Company.

### **Attendance at meetings**

4. A quorum for a meeting shall be two members.
5. Executive Board members and management may attend meetings of the Committee by invitation. However, a director or senior management (or their associates) shall not be involved in deciding his own remuneration.
6. The company secretary or the head of the human resources department shall be the secretary of the Committee. In the absence of the secretary of the Committee, the members present at the meeting of the Committee shall elect another person as the secretary.

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## **Frequency of meetings**

7. Meetings shall be held at least once a year. A meeting of the Committee may be convened by any of its members, or by the secretary of the Committee at the request of any of its members.

## **Notice of meetings**

8. Unless otherwise agreed by all the members of the Committee, notice of at least three days shall be given of a meeting of the Committee, and such notice shall be sent to each member of the Committee, and to any other person invited to attend. Irrespective of the length of notice being given, attendance of a Committee member at a meeting constitutes a waiver of such notice unless the Committee member attending the meeting attends for the expressed purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting has not been properly convened.

## **Authority**

9. The Committee is authorized by the Board to deal with any remuneration matters of the directors and senior management of the Group within its terms of reference. It is authorized to seek any information it requires from management and management is directed to co-operate with any request by the Committee.
10. The Committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors and senior management and is authorized by the Board to obtain independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, at the Company's expense, if it considers this necessary.

## **Duties**

11. The duties of the Committee shall be:
  - (a) to make recommendations from time to time to the Board on the Company's policy and structure for all directors' and senior management's 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

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Board's corporate goals and objectives;

- (c) to do, with full powers delegated from the Board, such things and to determine all matters in relation to the remuneration packages (including base salary, bonus, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment) of individual executive directors of the Company and the senior management of the Company and its subsidiaries;
- (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 contractual terms and 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 advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under Rule 13.68 of the Rules Governing the Listing of Securities ("**Listing Rules**") on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**");
- (j) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and
- (k) to exercise all the powers of the Board in relation to the Company's share option scheme(s) or other share-based incentive scheme(s) as may be adopted from time to time in accordance with its rules as the members of the Committee may deem necessary or expedient.

*Note: For the purpose of these terms of reference, "senior management" should refer to the same category of persons as referred to in the Company's annual report and is required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules.*

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## **Minutes of meetings**

12. The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he must abstain from voting on any resolution of the Committee in which he or any of his associates has a material interest, unless the exceptions set out in bye-law 100 of the Company's bye-laws apply.
13. Minutes of meetings shall record in sufficient detail the matters considered by the Committee and decision reached, including any concerns raised by members of the Committee or dissenting view expressed.
14. Draft and final versions of minutes of the meetings shall be sent to all Committee members for their comment and records within a reasonable time after the meeting.
15. The secretary shall keep the minutes of meetings and reports of the Committee for the Company.

## **Reporting procedures**

16. The Committee shall report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so. The secretary shall make available the minutes of meetings and reports of the Committee to all members of the Board for inspection upon request.

## **Annual general meeting**

17. The chairman of the Committee or in his absence, another member of the Committee or failing this, his 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 activities and their responsibilities.

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## **Other regulations governing the meetings and proceedings of the Committee**

18. Unless otherwise specified above, the provisions contained in the Company's memorandum and bye-laws for regulations and proceedings of directors shall apply to the meetings and proceedings of the Committee (including, among other things, the provision relating to passing of a resolution in writing).

## **Review**

19. The Board shall periodically review the adequacy of these terms of reference and make appropriate amendments, as and when required, to ensure that they remain relevant to the Group's objectives.

## **Publication of the terms of reference**

20. The terms of reference of the Committee will be posted on the websites of the Stock Exchange and the Company.

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Relevant requirements:

Rules 3.25 - 3.27 of Listing Rules

Code Provisions E.1.1 to E.1.5 and F.2.2 of Part 2 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules