



# 新源萬恒 控股有限公司

## New Provenance Everlasting Holdings Limited

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2326)**

### REMUNERATION COMMITTEE TERMS OF REFERENCE

#### 1. Constitution

The board of directors of the Company (the “**Board**”) had resolved to establish a committee known as the “Remuneration Committee”.

#### 2. Membership

2.1 The Remuneration Committee shall be appointed by the Board and shall comprise a minimum of three members (the “**Members**”). The majority of the Members shall be independent non-executive directors of the Company (the “**INED(s)**”).

2.2 The chairman of the Remuneration Committee shall be appointed by the Board and must be an INED.

2.3 The Remuneration Committee may from time to time appoint any person with appropriate qualification and experience as the secretary of the Remuneration Committee.

#### 3. Meetings

3.1 The Remuneration Committee shall meet at least once a year. Additional meetings of the Remuneration Committee should be held if the Remuneration Committee so requests.

3.2 Meetings of the Remuneration Committee (“**Meetings**”) could be held in person or by means of effective electronic means.

3.3 The quorum for any Meeting shall be any two Members, of whom at least one has to be an INED.

- 3.4 A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a Meeting duly convened and held and may consist of several documents in the like form each signed by one or more of the Members.
- 3.5 The secretary of the Remuneration Committee shall keep full minutes of the Meetings. Draft and final versions of the minutes of the Meetings should be sent to all Members for their comment and records respectively, in both cases within a reasonable time after the Meeting.

#### **4. Authorities**

- 4.1 The Remuneration Committee shall consult the Chairman of the Company and/or the chief executive about their remuneration proposals for other executive directors and senior management of the Company respectively.
- 4.2 The Remuneration Committee is authorized by the Board and at the Company's expense to seek independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.
- 4.3 The Remuneration Committee shall be provided with sufficient resources to perform its duties.

#### **5. Duties**

The Remuneration Committee shall have the following responsibilities, powers and discretion:

- (a) to make recommendations to the Board on the policy and structure of the Company in respect of the remuneration package for all the directors and senior management of the Company 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 of the Company; or

- (ii) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management of the Company.

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 (including independent non-executive directors) of the Company;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group of the Company;
- (f) to review and approve compensation payable to executive directors and senior management of the Company 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 of the Company for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (h) to ensure that no director of the Company or any of his/her associates is involved in deciding his/her own remuneration;
- (i) to advise the shareholders of the Company on how to vote with respect to any service contracts of the directors of the Company that require shareholders' approval under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**");
- (j) to review and/or approve matters to share schemes under Chapter 17 of the Listing Rules; and
- (k) to review from to time as appropriate these Terms of Reference and the effectiveness of the Remuneration Committee and recommend to the Board any necessary changes.

## **6. Reporting Procedures**

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

## **7. Supplementary Provisions**

These Terms of Reference shall take effect as of the date when they are approved by the Board.

*Note: In case of discrepancies or inconsistencies between the English version and the Chinese version of these Terms of Reference, the English version shall prevail.*