

**DAPHNE INTERNATIONAL HOLDINGS LIMITED**  
**達 芙 妮 國 際 控 股 有 限 公 司 \***

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock code: 210)

**TERMS OF REFERENCE**  
**OF**  
**REMUNERATION COMMITTEE**

(Updated on 1 January 2023)

**Membership**

1. The remuneration committee (the “**Committee**”) shall be appointed by the board of the directors (the “**Board**”) of the Company from amongst directors of the Company and shall consist of not less than three members, a majority of whom should be independent non-executive directors.
2. The chairman of the Committee (the “**Committee Chairman**”) shall be an independent non-executive director appointed by the Board. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves (who must be an independent non-executive director) to chair the meeting.

**Quorum**

3. The quorum necessary for physical meetings or meetings held through other electronic means shall be 2 and one of them must be independent non-executive director.

**Secretary**

4. The company secretary of the Company shall be the Committee Secretary. The company secretary may designate any other person as the Committee Secretary with the consent of the Committee.

**Frequency and proceedings of meetings**

5. The Committee shall meet at least once per year and at such other times as the Committee shall require. The Committee Chairman or any other member may convene a meeting of the Committee whenever he considers necessary.
6. Only members of the Committee are entitled to attend the Committee meetings. Other directors of the Company or executives of the Group may be invited to attend all or part of any meeting, as and when appropriate and necessary.
7. Only members of the Committee are entitled to vote at the meetings and resolutions of the Committee shall be passed by a majority of votes of the members present.
8. Except as required by laws, a resolution signed by all members of the Committee shall be as valid as if it had been passed at a meeting of the Committee.

## **Authority**

9. The Committee is authorised by the Board to seek any information it requires from any employee or director of the Company in order to perform its duties.
10. The Company shall provide the Committee with sufficient resources to perform its duties. In connection with its duties, the Committee is authorised by the Board to obtain, at the Company's expense, any independent legal or other professional advice if necessary.

## **Duties**

11. The duties of the Committee shall include:
  - (a) to make recommendations to the Board on the Company's remuneration policy and structure of all directors of the Company and senior management of the Group 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 the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights, compensation payments, including any compensation payable for loss or termination of their office or appointment;
  - (d) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
  - (e) to consult the chairman or chief executive officer about the remuneration proposals for other executive directors;
  - (f) to make recommendations to the Board on the remuneration of non-executive directors;
  - (g) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that they are consistent with contractual terms and is otherwise fair and not excessive;
  - (h) 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;
  - (i) to ensure that no director or any of his associates is involved in deciding his own remuneration;
  - (j) to review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited; and
  - (k) 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**

12. Full minutes of the meetings of the Committee should be kept by the Committee Secretary. Draft and final versions of minutes of the meetings should be sent to all Committee members for their comment and records within a reasonable time after the meeting.
13. The Secretary shall circulate the minutes of meetings to all Board members.
14. The Committee shall report its decisions or recommendations to the Board on a regular basis, normally at the next meeting of the Board following a meeting of the Committee.
15. The Committee shall report to the Board on the matters under these terms of reference.

## **Annual general meeting**

16. The Committee Chairman or in his absence, another member of the Committee, shall attend the annual general meeting of the Company so as to be available to answer questions from the shareholders of the Company on matters within the scope of duties of the Committee.

## **Publication and update of these terms of reference**

17. These terms of reference shall be updated and revised as when necessary in light of changes in circumstances and changes in regulatory requirements in Hong Kong.
18. These terms of reference shall be published on the websites of the Company and The Stock Exchange of Hong Kong Limited.