



## Alpha Professional Holdings Limited

### 阿爾法企業控股有限公司\*

*(incorporated in Bermuda with limited liability)*  
(the “Company”)

(Stock Code: 948)

## TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

### 1. Membership

- 1.1 The Committee shall consist of not less than three members appointed by the board (the “**Board**”) of directors (the “**Directors**”) from time to time, with the majority of the members being independent non-executive Directors.
- 1.2 The Board shall nominate one of the independent non-executive Directors as the chairman of the Committee.
- 1.3 The company secretary of the Company or his/her nominee shall act as the secretary of the Committee.

### 2. Frequency and Proceedings of Meetings

- 2.1 The Committee shall meet at least once annually. Additional meetings shall be held as the work of the Committee demands.
- 2.2 The chairman of the Committee may convene additional meetings at his/her discretion.
- 2.3 The quorum of a meeting shall be two Committee members.
- 2.4 The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.
- 2.5 Proceedings of meetings of the Committee shall be governed by Clauses 117, 118 and 120 of the bye-laws of the Company.

### 3. Duties, Powers and Functions

- 3.1 The Committee shall:

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- (a) formulate remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, employment conditions, and responsibilities, and individual performance of the directors, senior management and the general staff of the Company and its subsidiaries (the “**Group**”). 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;
- (b) without prejudice to the generality of the foregoing:
  - (i) establish guidelines for the recruitment of the chief executive and senior management of the Company;
  - (ii) recommend to the Board the policy and structure on the remuneration of all Directors, senior management and/or the chief executive of the Company as an ex-officio member whilst ensuring no Director or any of his/her associates is involved in deciding his/her own remuneration, and on the establishment of a formal and transparent procedure for developing remuneration policy;
  - (iii) determine the remuneration of executive Directors (including the chief executive of the Company who is an ex-officio member) and senior management, including benefits in kind, pension right, compensation payment (including compensation for loss of office or appointment etc.). The Committee should consult the chairman and/or the chief executive of the Company about their remuneration proposals for other executives Directors and/or proposals relating to the remuneration of the chief executive and/or senior management of the Company;
  - (iv) review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
  - (v) determine with delegated responsibility, or make recommendations to the Board on, the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments;

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- (vi) make recommendations to the Board on the remuneration of non-executive Directors, if any is subsequently appointed;
- (vii) review and approve the compensation arrangements in connection with any loss or termination of their office or appointment, or dismissal or removal for misconduct to executive directors and senior management which shall be fair and not excessive and are consistent with contractual terms;
- (viii) determine the criteria for assessing employee performance, which should reflect the Company’s business objectives and targets;
- (ix) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (x) consider the annual performance bonus for executive Directors, senior management, and the general staff, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendation to the Board;
- (xi) engage such external independent professional advisors to assist and/or advise the Committee on issues as it considers necessary;
- (xii) make sure that details of any remuneration payable to members of senior management of the Group by band are disclosed in the annual reports of the Company;
- (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 applicable legislation and regulations.

3.2 The Committee shall be provided with sufficient resources to enable it to perform its functions, including the resources for seeking independent professional advice at the Company’s expense, when necessary.

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**4. Reporting Procedures**

- 4.1 The Committee shall report to the Board on a regular basis on its decisions or recommendations unless there are legal or regulatory restrictions on its ability to do so (such as restriction on disclosure due to regulatory requirements).
- 4.2 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.

*Notes:*

- (a) *Senior management shall include the chief operating officer, deputy chief operating officer, and executive vice presidents (if any).*
- (b) *Approved and amended at the Board meeting on 23 November 2018 pursuant to a resolution passed by the Board.*

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