



云 锋 金 融

Yunfeng Financial Group Limited
雲 鋒 金 融 集 團 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 376)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

A. CONSTITUTION

The remuneration committee (the “Committee”) of YUNFENG FINANCIAL GROUP LIMITED (the “Company”, together with its subsidiaries, collectively the “Group”) is a committee of the board of directors of the Company (the “Board”).

B. COMMITTEE

1. Membership

- 1.1* Members of the Committee shall be appointed by the Board from amongst the members of the Board and shall comprise a minimum of three (3) directors. The majority of the members of the Committee shall be independent non-executive directors of the Company.
- 1.2* The chairman of the Committee shall be an independent non-executive director appointed by the Board from time to time.
- 1.3* The company secretary of the Company shall be the secretary of the Committee.
- 1.4* The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board.

2. Proceedings of the Committee

2.1 Notice

2.1.1 Unless otherwise agreed by all the Committee members, a meeting of the Committee shall be called by at least seven (7) days' notice.

2.1.2 A member of the Committee may and, on the request of a member of the Committee, the secretary to the Committee shall, at any time summon a meeting of the Committee. Notice shall be given to each member of the Committee orally in person or in writing or by telephone or by telex or telegram or facsimile transmission or email at the telephone number or facsimile number or address or email address from time to time notified to the secretary by such member of the Committee or in such other means as the members may from time to time determine. Any notice given orally shall be confirmed in writing.

2.1.3 Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting.

2.2 Quorum

The quorum of the Committee meeting shall be two members of the Committee.

2.3 Frequency of meetings

Meetings shall be held at least once every year. Additional meeting should be held if the Committee shall so request.

2.4 Voting

Resolutions of the Committee at any meeting shall be passed by a majority of votes of the members of the Committee present.

2.5 Others

Meetings could be held in person, by telephone or by video conference. Members of the Committee may participate in a meeting by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.

3. Written resolutions

Resolutions may be passed by all members of the Committee in writing.

4. Alternate members

A member of the Committee may not appoint any alternate.

5. Authority

5.1 The Committee should consult the chairman and/or chief executive officer about their remuneration proposals for other executive directors.

5.2 The Committee is authorised to obtain outside independent professional advice and to secure the assistance of outsiders with relevant experience and expertise if it considers necessary.

5.3 The Committee shall be provided with sufficient resources to perform its duties.

6. Duties

The duties of the Committee shall include, without limitation:

- (a) To make recommendations to the Board on the Company's policy and structure for all directors' and senior management 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 Board's corporate goals and objectives;
- (c) To 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, 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;
- (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; and
- (i) To review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

7. Reporting procedures

The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting or the passing of any written resolution(s) of the Committee, the chairman of the Committee shall report such findings and recommendations of the Committee to the Board.

8. Annual general meeting

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 respond to questions at the Annual General Meeting on the Committee's work and responsibilities.

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The English text of these terms of reference shall prevail over the Chinese text in case of any inconsistency.

(updated in March 2023)