



Youzan Technology Limited

有贊科技有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 6051)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

Set out below are the terms of reference (the “**Terms of Reference**”) of the remuneration committee (the “**Committee**”) of Youzan Technology Limited (有贊科技有限公司) (the “**Company**”).

1. PURPOSE

- 1.1 The purpose of the Committee is to make recommendations to the board (the “**Board**”) of directors of the Company (the “**Directors**”) in determining the policy and structure for the remuneration of Directors and senior management of the Company including remuneration packages, bonuses and other compensation, to establish a formal and transparent procedure for developing remuneration policy, to evaluate the performance of Directors and senior management of the Company, to review and approve the terms of incentive schemes and Directors’ service contracts, and to recommend the remuneration packages for all Directors and senior management of the Company.

2. COMPOSITION

- 2.1 The Committee shall be appointed by the Board from time to time and shall consist of a minimum of three members and a majority of independent non-executive Directors who shall meet the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (as amended from time to time).

2.2 The Board shall appoint one member of the Committee as the chairperson (the “**Chairperson**”), who must be an independent non-executive Director.

3. MEETINGS

3.1 Unless otherwise specified hereunder, the provisions contained in the Company’s Bye-Laws (the “**Bye-Laws**”) (as amended from time to time) for regulating meetings and proceedings of Directors shall apply to the meetings and proceedings of the Committee.

3.2 Members of the Committee may attend meetings of the Committee either in person or through other electronic means of communication or in such other manner as the members may agree.

3.3 The Committee shall meet at least once annually, or more frequently if circumstances require.

3.4 Members of the Committee may be represented at a meeting of the Committee by an alternate appointed by him.

3.5 The Chairperson shall be responsible for leading the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.

3.6 A meeting of the Committee may be convened by any of its members.

3.7 A quorum shall be two members of the Committee.

3.8 Unless otherwise agreed by all the members of the Committee, notice of at least seven days shall be given for a regular meeting of the Committee. For all other meetings of the Committee, reasonable notice shall be given. The Chairperson shall determine whether or not a meeting of the Committee is a regular meeting.

3.9 The agenda and accompanying supporting papers shall be sent to all members of the Committee and to other attendees as appropriate at the same time as with the meeting notice (or such other period as the members may agree).

- 3.10 Each member shall have one voting right. Subject to the Bye-Laws, questions arising at any meeting of the Committee shall be decided by a majority of votes, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 3.11 The members of the Committee shall appoint a secretary of the Committee (the “**Secretary**”) to take minutes. In the absence of the Secretary, his/her delegate(s) or any person elected by the members present at the meeting of the Committee, shall attend the meeting of the Committee and take minutes. Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the Chairperson or the Secretary of the meeting or succeeding meeting.
- 3.12 Full minutes of meeting of the Committee shall be kept by the Secretary or any one of the joint company secretaries of the Company. They shall be open for inspection at any reasonable time on reasonable notice by any Director.
- 3.13 Minutes of meetings of the Committee and the record of individual attendance at such meetings shall be prepared by the Secretary which shall be sent to all members of the Board within a reasonable time after the conclusion of any meeting of the Committee for their comment and records. For the purposes of recording attendance only, the attendance of an alternate of members of the Committee will not be counted as attendance by the relevant member of the Committee himself or herself. The minutes of meetings shall record details of the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed.
- 3.14 Without prejudice to any requirement under the Listing Rules, a resolution in writing signed by all of the members of the Committee (or their respective alternate) shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

4. ACCESS

- 4.1 The Committee shall have full access to management and may invite members of management or others to attend its meetings.
- 4.2 The Company should provide the Committee with sufficient resources to discharge its duties including but not limited to obtaining independent professional advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company if necessary.

5. REPORTING PROCEDURES

- 5.1 The Committee shall evaluate and assess its effectiveness and the adequacy of these Terms of Reference from time to time and recommend any proposed changes to the Board.
- 5.2 The Committee shall consult the chairperson of the Board and/or chief executive officer of the Company about the remuneration proposals of executive Directors, and also seek independent professional advice if considered necessary.
- 5.3 The Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

6. AUTHORITY

- 6.1 The authorities and responsibilities of the Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Listing Rules (as amended from time to time).

7. RESPONSIBILITIES AND DUTIES

7.1 Without prejudice to any requirement under the CG Code, the Committee shall perform the following duties:

- (a) to review and approve remuneration proposals of members of the senior management in accordance with the Company's policies and objectives as approved by the Board from time to time;
- (b) to make recommendations to the Board concerning 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, including, but not limited to, performance evaluation standards, procedures and evaluation systems;
- (c) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time;
- (d) to make recommendations to the Board on the remuneration packages of executive Directors and senior management of the Company, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (e) to conduct the evaluation of the annual performance of all Directors and senior management;
- (f) to monitor remuneration payable to all Directors and senior management;
- (g) to make recommendations to the Board on the remuneration of non-executive Directors;
- (h) to consider salaries paid by comparable companies, the time commitment and responsibilities of Directors and senior management of the Company, and the employment conditions elsewhere of the Company and its subsidiaries;

- (i) 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;
- (j) to review and approve compensation arrangements relating to dismissal or removal of Directors and senior management of the Company to ensure they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (k) to ensure that no Director or any of his/her associates is involved in deciding his or her own remuneration;
- (l) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and
- (m) to perform other duties and responsibilities as assigned by the Board.

8. ANNUAL GENERAL MEETING

- 8.1 The Chairperson or in his absence, another member of the Committee or failing this, his or her duly appointed delegate, shall attend the annual general meeting (the “AGM”) of the Company and be prepared to respond to questions at the AGM on the Committee’s work and responsibilities.