



## TESSON HOLDINGS LIMITED

天臣控股有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1201)**

### Terms of Reference of the Remuneration Committee

#### 1. Constitution

1.1 The board of directors (the “**Board**”) of Tesson Holdings Limited (the “**Company**”) has resolved to establish a committee of the Board to be known as the Remuneration Committee.

#### 2. Objectives

2.1 The purpose of the Remuneration Committee is to review and develop, for the Board’s endorsement, the Company’s policy on remuneration for its directors (including executive directors) and its senior management.

#### 3. Membership

3.1 The Remuneration Committee shall be appointed by the Board from time to time and shall consist of not less than three directors, a majority of which shall be independent non-executive directors who shall meet and maintain 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**”). The Board shall appoint one member of the Remuneration Committee as the chairman of the Remuneration Committee (the “**Chairman**”). A quorum shall be two members.

3.2 The term of the Remuneration Committee shall be the same as that of the Board. The appointment can be renewed.

#### **4. Frequency of meetings**

4.1 The Remuneration Committee shall meet at least once a year or more frequently if circumstances require. The meeting may be held by a telephone conference or other telecommunications means. The Remuneration Committee may replace the meeting with written proposals, and adopt resolutions by written votes without a meeting in person. The written resolution takes effect when the meeting materials are delivered to all committee members and affirmatively voting members reach the legitimate quorum for passing such resolution.

#### **5. Notice of Meetings**

5.1 Meetings of the Remuneration Committee shall be called by its Chairman or at request of the Board.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be issued to each member of the Remuneration Committee and any other person required to attend no fewer than three working days prior to the date of the meeting.

#### **6. Attendance at meetings**

6.1 The Chairman shall preside at all meetings of the Remuneration Committee. In the absence of the Chairman, the remaining members present shall elect one of themselves to chair the meeting. The Chairman shall be responsible for leading the Remuneration Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.

6.2 A committee member can authorize another committee member to attend on his/her behalf by written proxy, which shall state the scope of authorization.

6.3 The Remuneration Committee may request any director, or any other individual to attend its meetings.

6.4 The company secretary of the Company or his/her nominee shall be the secretary of the Nomination Committee.

## **7. Authority**

- 7.1 The Remuneration Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it reasonably requires from any employee in order to perform its duties. All employees are directed to co-operate with any reasonable request made by the Remuneration Committee.
- 7.2 The Remuneration Committee is authorized by the Board, at the Company's expense, to appoint legal or other independent professional advisers with relevant experience and expertise (including remuneration consultants) to assist the Remuneration Committee, to secure the attendance of such professional advisers at its meetings if it considers it necessary and to obtain reliable, up-to-date information about remuneration in other companies. The Remuneration Committee shall have full authority to commission any reports or surveys which it considers necessary to help it fulfil its obligations.
- 7.3 The Remuneration Committee is authorized to require management to provide it with such resources as may be necessary for it to discharge its duties.
- 7.4 The Remuneration Committee shall consult the Chairman and/or Chief Executive Officer about their proposals relating to the remuneration of other Executive Directors and have access to professional advice it considers necessary.

## **8. Duties**

- 8.1 The Remuneration Committee shall have the following specific duties:
- (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 determine, with the delegated responsibility, the remuneration packages of all individual executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on the remuneration of non-executive directors. The Remuneration Committee should consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;
- (c) 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;
- (d) 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;
- (e) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;
- (f) to ensure a significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance;
- (g) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and
- (h) to take other duties as authorized by the Board or regulatory organizations or as required under applicable laws and regulations.

## **9. Reporting procedures**

- 9.1 Minutes of the Remuneration Committee's meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the company secretary of the Company), and such minutes shall be available for inspection at any reasonable time on reasonable notice by any director.
- 9.2 Minutes of meetings of the Remuneration Committee shall record in sufficient detail the matters considered by the Remuneration Committee and decisions reached, including any concerns raised by directors, members or dissenting views expressed.
- 9.3 Draft and final versions of minutes of such meetings should be sent to all members of the Remuneration Committee for their comment and records respectively, in both cases within a reasonable time after such meetings.
- 9.4 Without prejudice to the generality of the duties of the Remuneration Committee set out in these terms, the Remuneration Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.

## **10. Annual General Meeting**

- 10.1 The Chairman, or in his/her absence, another member of the Remuneration Committee, or failing this his/her duly appointed delegate shall attend the annual general meeting of the Company and be prepared to respond to any shareholder's questions on the Remuneration Committee's activities.

## **11. Terms available**

- 11.1 The Remuneration Committee shall make available these terms of reference by including them on the websites of The Stock Exchange of Hong Kong Limited and the Company, thereby explaining its roles and the authority delegated to it by the Board.

## **12. Validity and Amendment**

12.1 These terms of reference shall take effect upon the adoption by a Board resolution.

12.2 Any amendment or termination of these terms of reference is subject to the Board's resolution.

Note: In the event of any inconsistency, the English language text of these terms of reference shall prevail over the Chinese language text.

(Adopted by the Board on 30 March 2023)