

SKYWORTH

SKYWORTH GROUP LIMITED

創維集團有限公司

(the “Company”, and together with its subsidiaries, the “Group”)

(Incorporated in Bermuda with limited liability)

(Stock Code: 00751)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

*(Revised and approved by the board of directors of
Skyworth Group Limited on 30 December 2022)*

Constitution

1. The remuneration committee (the “Committee”) of the Company was established by the board of directors (the “Directors”) of the Company (the “Board”) on 5 February 2005.

Objective and Role

2. The Committee is appointed by the Board to, within agreed terms of reference, evaluate and make recommendations to the Board on the Group’s remuneration policy and has a delegated authority to review and determine the remuneration packages of the executive directors and the senior management. These terms of reference have been prepared in compliance with relevant code provisions of the Corporate Governance Code (the “Code”) under Appendix 14 to the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Membership

3. The members of the Committee shall be appointed by the Board and shall consist of at least three members, a majority of whom shall be independent non-executive directors of the Company.
4. The chairman of the Committee shall be elected by the members of the Committee and shall be an independent non-executive director of the Company.

Attendance at Meetings

5. The Committee may invite any director, member of senior management or other individual to attend meetings of the Committee as it considers appropriate.
6. The company secretary of the Company or his or her nominee shall be the secretary of the Committee.

Frequency of Meetings

7. Meetings shall be held at least once a year and at such times as the Committee determines is appropriate to carry out its responsibilities.

Authority

8. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee in order to perform its duties.
9. In connection with its duties, the Committee is authorised to select, appoint and approve fees for remuneration consultants or other independent professional advisors to assist the Committee in the fulfilment of its duties if it considers necessary.
10. In carrying its responsibilities, the Committee may authorise any one or more of its members or the chairman of the Committee to take any action, and impose any regulations upon them, when it deems appropriate and in the best interests of the Company.
11. The Committee shall perform an advisory role to the Board, with the Board retaining the final authority to approve executive directors' and senior management's remuneration.

Duties

12. In addition to any other responsibilities which may be assigned from time to time by the Board, the duties of the Committee shall be:
 - (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 Board's corporate goals and objectives;
 - (c) to make recommendations to the Board on the remuneration packages (include benefits in kind, pension rights and compensation payments including any compensation payable for loss or termination of their office or appointment) of individual executive directors and senior management, and to make recommendations to the Board on the remuneration of non-executive directors. The remuneration committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors and employment conditions elsewhere in the group;

- (d) 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;
- (e) 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;
- (f) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (g) to produce and approve disclosure statements of the Company's remuneration policy and other disclosures in relation to the Committee and its work as required by applicable laws and rules where necessary; and
- (h) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Meeting Procedures

- 13. The meetings and proceedings of the Committee shall be governed by the provisions of the Company's Bye-laws for regulating the meetings and proceedings of the Board, except for otherwise determined by the Board from time to time.
- 14. The quorum for meetings shall be two members of the Committee.

Reporting Procedures

- 15. The Committee shall report to the Board concerning its activities, either orally or in writing, at regular meetings of the Board or at other times or occasions where necessary.
- 16. The secretary of the Committee shall arrange to distribute the minutes of meetings / written resolutions of the Committee to the Board members.

Frequency of Review

- 17. The above terms of reference shall be reviewed from time to time, and can be revised by the Board when necessary.

Note: The Chinese version of this document is for reference only. In case of any discrepancies or inconsistency between the English version and its Chinese version, the English version prevails.