



**OSL GROUP LIMITED**

**OSL 集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code : 863)**

## **Remuneration Committee Terms of Reference**

### **1. Organization**

The board (“**Board**”) of the directors of the Company (“**Directors**”) has resolved to set up a remuneration committee (“**Committee**”).

### **2. Objective**

The main objective of the Committee is to regularly make recommendations to the Board on the Company’s policy and structure for the remuneration of all the Directors’ and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy. The Committee is accountable to the Board.

### **3. Composition**

3.1 The Committee shall comprise at least three Directors who are appointed or removed by the Board. If any member of the Committee (“**Member**”) ceases to be a Director, he/ she will cease to be a Member automatically. The vacancy will be filled by appointment of new Member by the Board.

3.2 The majority of the Members shall be independent non-executive Directors.

3.3 The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board and shall be an independent non-executive Director.

### **4. Secretary**

Save as otherwise appointed by the Committee, the secretary to the Committee shall be the secretary to the Company.

## **5. Basic Regulations**

- 5.1 The level of remuneration should be reasonable and sufficient to attract and retain Directors in order for the Company to operate successfully but the Company should avoid paying excessive remuneration.
- 5.2 To ensure no Director is involved in deciding its own remuneration.
- 5.3 The Committee should consult the Chairman and/or the chief executive in relation to the proposed remuneration of Directors, who preside on the Committee, and if considered necessary, to seek for professional advice.

## **6. Terms of Reference**

- 6.1 The Committee is authorised by the Board in accordance with its terms of reference to perform any investigations. The Committee has the right to request for information from the Company or its subsidiaries (the “**Group**”) in order to fulfill its responsibilities.
- 6.2 The Committee should consult the chairman of the Board and/or the chief executive about their remuneration proposals. The Committee should have access to independent professional advice if necessary.
- 6.3 The Committee should be provided with sufficient resources to perform its duties.

## **7. Duties**

- 7.1 To make recommendations to the Board on the Company’s policy and structure for all Directors’ and senior management’s remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.
- 7.2 To review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives.
- 7.3 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.
- 7.4 To make recommendations to the Board on the remuneration of non-executive Directors.
- 7.5 To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries.

- 7.6 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.
- 7.7 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.
- 7.8 To ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.
- 7.9 To review and/or approve matters relating to share schemes under Chapter 17 of the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).
- 7.10 Other matters in accordance to the Rules or other guidelines issued by the Stock Exchange or the Board.
- 7.11 To review the proposed service contracts to be signed by a shareholder, the Directors or proposed Directors that require shareholders’ approval in a general meeting under Rule 13.68 of the Listing Rules and shall provide recommendations in relation to the fairness and reasonableness on the service contracts and whether the terms are favourable to the Company and the shareholders. The Committee shall be answerable and provide recommendations to the shareholders on how to vote.

## **8. Meetings of the Committee**

### 8.1 Number of meeting

There shall be at least two meetings of the Committee annually to be convened and held by attending in person, telephone or video conference. If required, extraordinary meeting could be convened.

### 8.2 Notice of meeting

Unless waived by all Members on notice, the secretary to the Committee shall give 7 days prior notice to all Members for any meeting to be convened and circulate the meeting agenda to the Members.

### 8.3 Quorum

Meetings of the Committee shall be attended by more than one-half (more than half) of the Members to be effective.

### 8.4 Conducting the meetings

Meetings could be convened by attending in person, telephone or video conference. Members could attend the meetings through telephone conference or similar arrangements which Members could communicate to each other.

#### 8.5 Resolutions

Any resolution shall be passed by the majority votes (more than half) of the Members. A written resolution can be adopted by all Members if all Members agreed to sign. Members cannot vote in respect of their own remuneration.

#### 8.6 Invitations

The Committee could invite any executive Directors, external advisers or other individuals to attend the meetings but such executive Directors, advisers or individuals are not entitled to vote at the meetings.

#### 8.7 Minutes of the meetings

Full minutes of meetings shall be kept by the secretary to the Committee. Minutes shall record matters considered and decisions reached by the Members in details, including their names of the Members who attended the meeting and any doubt or disagreement raised by the Members. The secretary of the Committee shall record in details in the minutes if there are conflicts of interests affecting the Members.

Draft and final versions of the minutes of the meetings should be sent to all Members for their comment and records, within a reasonable time after the meetings.

### **9. Shareholders' Meeting**

The Chairman or other Members are authorised by the Chairman to participate in the annual general meeting to answer to the shareholders on the policy, activities and responsibilities to the Committee. Unless authorised by the Board, the Members who participated in the meetings shall have the obligation to keep confident the matters discussed in the meetings and shall not disclose the relevant information.

### **10. The Application of the Articles of Association**

The articles of association of the Company shall set out the norms on procedures of the meetings of the Board if the aforementioned has failed to make the specifications.

**11. Report**

The Chairman or other Member who is authorised by the Chairman to chair the meetings shall report to the Board after each meeting of the Committee.

**12. Interpretation**

Interpretation of these terms of reference shall belong to the Board.