



和 鉑 醫 藥 控 股 有 限 公 司

**HBM Holdings Limited**

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

**(Stock code: 2142)**

## **TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

The remuneration committee (the “**Committee**”) of HBM Holdings Limited (the “**Company**”) was established pursuant to a resolution passed by the board of directors of the Company (the “**Board**”) on 10 August 2020. Set out below are the terms of reference (the “**Terms of Reference**”) of the Committee. The Terms of Reference are available for viewing in English and Chinese. If there is any inconsistency between the English and the Chinese versions of the Terms of Reference, the English version shall prevail.

A14 B1.3

### **1. PURPOSE**

- 1.1 The purpose of the Committee is to make recommendations to the Board on the policy and structure for the remuneration of directors and senior management, to establish a formal and transparent procedure for developing policy, to evaluate the performance of directors and senior management, 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.

### **2. COMPOSITION**

- 2.1 Members of the Committee shall be appointed by the Board from time to time and shall consist of 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 chairman (the “**Chairman**”), who must be an independent non-executive director.

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### **3. MEETINGS**

- 3.1 Unless otherwise specified hereunder, the provisions contained in the Company’s articles of association (the “**Articles**”) (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 them.

- 3.5 The Chairman 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 Chairman 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 least three days before the date of the meeting (or such other period as the members may agree).
- 3.10 Each member shall have one vote. Subject to the Articles, 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 Chairman 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, their delegate(s) or any person elected by the members of the Committee 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 Chairman or the Secretary of the meeting or succeeding meeting. A14 A7.1
- 3.12 Full minutes of meetings of the Committee shall be kept by the Secretary or the company secretary (as applicable from time to time). They shall be open for inspection at any reasonable time on reasonable notice by any director. A14 A1.4
- 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 Committee 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 themselves. The minutes of meetings shall record in sufficient detail of the matters considered and decisions reached, including any concerns raised by directors or dissenting views expressed. A14 A1.5
- 3.14 Without prejudice to any requirement under the Listing Rules, a resolution in writing signed by all 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 perform 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. A14 B1.4

## **5. REPORTING PROCEDURES**

- 5.1 The Committee shall evaluate and assess its effectiveness and the adequacy of these Terms of Reference on an annual basis (or from time to time) and recommend any proposed changes to the Board.
- 5.2 The Committee shall consult the chairman of the Board and/or chief executive officer of the Company about their remuneration proposals for other executive directors, and also seek independent professional advice if necessary. A14 B1.1
- 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). A14 D2.2

## **6. AUTHORITY**

- 6.1 The authorities and responsibilities of the Committee shall include such authorities and responsibilities set out in the relevant code provisions of the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 to the Listing Rules (as amended from time to time).

## **7. RESPONSIBILITIES AND DUTIES**

Without prejudice to any requirements under the CG Code, the duties of the Committee shall include the following:

- 7.1 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; A14 B1.2(a)
- 7.2 to review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives; A14 B1.2(b)
- 7.3 to make recommendations to the Board on the remuneration packages of 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; A14 B1.2(c)
- 7.4 to make recommendations to the Board on the remuneration of non-executive directors; A14 B1.2(d)
- 7.5 to consider factors such as the level of remuneration paid by comparable companies, the time commitment and responsibilities of directors and senior management, and the employment conditions of the Company and its subsidiaries; A14 B1.2(e)

- 7.6 to consider the level of remuneration required to attract and retain directors to run the Company successfully; <sup>A14 B1</sup>
- 7.7 to ensure that no director or any of their associates is involved in deciding their own remuneration. For the avoidance of doubt, members of the Committee must not be involved in deciding their own remuneration; <sup>A14 B1.2(h)</sup>
- 7.8 to review and approve compensation payable to directors and senior management for any loss or termination of office or appointment and compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that it is consistent with contractual terms, is otherwise fair and not excessive, and is otherwise reasonable and appropriate; and <sup>A14 B1.2(f)  
A14 B1.2(g)</sup>
- 7.9 to advise shareholders of the Company on how to vote in respect of any service contracts of directors that require shareholders' approval in accordance with the Listing Rules.

## **8. ANNUAL GENERAL MEETING**

- 8.1 The Chairman or in their absence, another member of the Committee or failing this, their 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. <sup>A14 E1.2</sup>