



**China Health Group Limited**  
**中國衛生集團有限公司**

*(Carrying on business in Hong Kong as CHG HS Limited)*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 673)

**TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

**1. Membership**

1.1 Members of the Remuneration Committee (the “Remuneration Committee”) shall be appointed by the Board of Directors (the “Board”) of China Healthcare Holdings Limited (the “Company”). The Remuneration Committee shall consist of not less than three members and the majority of whom should be independent non-executive directors.

1.2 The Board shall appoint the chairman of the Remuneration Committee who shall be an independent non-executive director. In the absence of the chairman of the Remuneration Committee, the remaining members present shall elect one of themselves (who must be an independent non-executive director) to chair the meeting.

**2. Quorum**

2.1 The quorum necessary for the transaction of business shall be two and one of them must be independent non-executive director. A duly convened meeting of the Remuneration Committee at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretions vested in or exercisable by the Remuneration Committee.

**3. Secretary**

3.1 The company secretary of the Company or his/her delegate or such other person appointed by the chairman of the Remuneration Committee shall act as the secretary at any meeting of the Remuneration Committee.

#### **4. Meetings**

4.1 The Remuneration Committee shall meet once a year or at such other times as the chairman of the Remuneration Committee shall require.

4.2 The Remuneration Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.

#### **5. Annual General Meeting**

5.1 The chairman of the Remuneration Committee, or in his absence, another member of the Remuneration Committee or failing this, his duly appointed delegate shall attend the Annual General Meeting of the Company prepared to respond to any shareholder questions at the meeting.

#### **6. Duties**

The Remuneration Committee shall:

6.1 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;

6.2 review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;

6.3 make recommendations to the Board on the remuneration packages of individual executive directors and senior management. The remuneration package should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office of appointment;

6.4 make recommendations to the Board on the remuneration of non-executive directors;

6.5 consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company's group;

- 6.6 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;
- 6.7 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;
- 6.8 ensure that no director or any of his associates is involved in deciding his own remuneration;
- 6.9 consult the chairman of the Company and/or chief executive about their remuneration proposals for other executive directors;
- 6.10 oversee any major changes in employee benefits structures throughout the Company or its subsidiaries;
- 6.11 with respect to any service contracts of the directors that require the shareholders' approval under Rule 13.68 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), to advise the shareholders as to whether the terms are fair and reasonable, whether such contracts are in the interests of the Company and its shareholders as a whole and as to how to vote;
- 6.12 to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and
- 6.13 report regularly to the Board.

## **7. Authority**

- 7.1 The Remuneration Committee is authorized by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 7.2 The Company shall provide the Remuneration Committee with sufficient resources to perform its duties. In connection with its duties, the Remuneration Committee is authorized by the Board to obtain, at the Company's expenses, any independent legal or other independent professional advice if necessary.

## **8. Reporting Procedures**

- 8.1 The Remuneration Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Remuneration Committee, the chairman of the Remuneration Committee shall report the findings and recommendations of the Remuneration Committee to the Board.

(Revised on 31 March 2023)