



## XINYANG MAOJIAN GROUP LIMITED

### 信陽毛尖集團有限公司

(formerly known as China Zenith Chemical Group Limited 中國天化工集團有限公司)

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 362)

## TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

The Remuneration Committee (the “**Committee**”) is established as a committee of the board of Directors (the “**Board**”) of XINYANG MAOJIAN GROUP LIMITED (the “**Company**”).

### (1) MEMBERSHIP

- (a) The members of the Committee shall be appointed by the Board. The Committee shall consist of at least three members and comprise a majority Independent Non-executive Directors (“**INEDs**”) of the Company. The Board shall, from time to time, vary the composition of the Committee to comply with the requirement of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”).
- (b) The Chairman of the Committee shall be an Independent Non-executive Director and a member of the Committee shall be appointed by the Board.

### (2) ATTENDANCE

- (a) The quorum of a meeting of the Committee shall be two members.
- (b) The Committee may request any Director, chief executive, external advisers or, where appropriate, any other person to attend its meetings.
- (c) Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of communicating with each other.
- (d) Unless otherwise agreed by all the Committee members, a meeting shall be called by at least seven working days’ notice.
- (e) Only Committee members shall have the right to vote at meetings.

### **(3) FREQUENCY OF MEETINGS**

Meetings of the Committee shall be held at least once a year. Any member of the Committee may request a meeting if he/they consider(s) that one is necessary.

### **(4) SECRETARY**

The Company Secretary (or in his absence, his duly appointed representative or any one member of the Committee) shall be the secretary of the Committee's meetings.

### **(5) THE COMMITTEE'S RESOLUTIONS**

- (a) Resolutions of the Committee shall be passed by a majority of votes.
- (b) Within a reasonable period of time after the meeting, both of the draft and final versions of minutes shall be circulated to all members of the Committee for their comment and records respectively. Full minutes of the meeting should be kept by the secretary of the Committee.
- (c) A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held and may consist of several documents in like form each signed by one or more of the members of the Committee. Such resolution may be signed and circulated by fax or other electronic communications.

### **(6) AUTHORITY**

- (a) The Remuneration Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised 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.
- (b) The Remuneration Committee is authorised 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.
- (c) The Remuneration Committee is authorised to require management to provide it with such resources as may be necessary for it to discharge its duties.
- (d) The Remuneration Committee shall consult the Chairman and/or Chief executive Officer about their proposals relating to the remuneration of other executive Directors.

## **(7) DUTIES**

The duties of the Committee shall include the following aspects:

- (a) to make recommendation to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing such remuneration;
- (b) to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
- (c) either
  - (i) to determine with delegated responsibility, the remuneration packages of individual executive directors and senior management; or
  - (ii) to make recommendations to the board on the remuneration packages of individual executive directors and senior management.

This includes benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and to make recommendations to the board on the remuneration of Non-executive Directors;

- (d) to consider salaries paid by comparable companies, time commitment and responsibilities of the Directors, and employment conditions elsewhere in the Group and desirability of performance-based remuneration;
- (e) to review and approve performance-based remuneration (if any) by reference to corporate goals and objectives of the Company resolved by the Board from time to time;
- (f) to review and approve compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
- (g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
- (h) to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration; and
- (i) to ensure the chairman of the Committee, or in the absence of the chairman, another member of the Committee or failing this his duly delegate, to be available to answer questions at the annual general meeting of the Company.

**(8) REPORTING PROCEDURES**

The secretary of the Committee shall circulate the minutes of meetings of the Committee to all members of the Board. The Chairman of the Committee shall report the findings and recommendations of the Committee to the Board.

**(9) PUBLICATION OF THE TERMS OF REFERENCE**

The terms of reference will be posted on the websites of the Company and The Stock Exchange of Hong Kong Limited.

Date of first adoption: 1 July 2005

Date of revision: 21 March 2012, 31 December 2018

*In the event of any inconsistency between the English version and the Chinese version of these terms of reference, the English version prevail.*