

**TERMS OF REFERENCE OF  
THE REMUNERATION COMMITTEE OF  
VITAL INNOVATIONS HOLDINGS LIMITED**  
**維太創科控股有限公司**  
**(the “Company”)**

**1. Composition**

- 1.1 Members of the Remuneration Committee shall be appointed by the board of directors (the “**Board**”) of the Company. The Remuneration Committee shall comprise a minimum of three directors and headed by an independent nonexecutive director. The majority of the Remuneration Committee members shall be independent non-executive directors.
- 1.2 Members of the Remuneration Committee shall be nominated by the chairman of the Board, more than half of the independent non-executive directors or one-third or above of all directors, and shall be appointed by the Board.
- 1.3 The term of office of the Remuneration Committee shall be concurrent with that of the Board. A member of the Remuneration Committee may serve further terms if re-elected upon conclusion of his/her current term. If any member ceases to be a director of the Company during his/her term of office, he/she shall automatically cease to be a member of the Remuneration Committee. The vacancy shall be filled by the Remuneration Committee in accordance with Articles 1.1 to 1.2 above.

**2. Duties and Powers**

- 2.1 The primary duties and powers of the Remuneration Committee shall include the following:
- (a) to make recommendations to the Board on the Company’s overall remuneration policy and structure for the directors and senior management members and on the establishment of a formal and transparent procedure for formulating such remuneration policy;
- (b) to review and approve the proposals on remuneration submitted by the management in accordance with the corporate goals and objectives as determined by the Board from time to time;
- (c) either:
- (i) to determine, with delegated responsibility, the remuneration package of individual executive director or senior management member; or
- (ii) to make recommendation to the Board on the remuneration package of individual executive director or senior management member;
- which shall include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of office or appointment;
- (d) to make recommendations to the Board on the remuneration packages for the non-executive directors;

- (e) to consider the remuneration packages offered by comparable companies, time commitment, responsibilities and duties, and terms and conditions of employment for other positions in the Group;
- (f) to review and approve the compensation payable to any executive director or senior management member for loss or termination of office or appointment to ensure that the amount of compensation is consistent with that as set out in the term to the contract; and if inconsistent, the amount of such compensation shall be reasonable and appropriate and not be excessive;
- (g) to review and approve compensation arrangement relating to dismissal or removal of any director for his/her misconduct to ensure that such arrangement is consistent with that as set out in the term to the contract; and if inconsistent, the amount of such compensation shall be reasonable and appropriate;
- (h) to ensure that no directors or their associates are involved in determining their remunerations;
- (i) to conduct any other matters delegated by the Board;
- (j) to review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**");
- (k) to exercise such other powers, authorities and discretions, and perform such other duties, of the directors in relation to the remuneration of the executive directors and senior management as the directors may from time to time delegate to it, having regard to the Corporate Governance Code (the "**Code**") of the Listing Rules; and
- (l) in exercising its power, authorities and discretions and performing its duties, the Remuneration Committee shall take full account of the Code and the Listing Rules.

### **3. Procedures for Decision-making**

3.1 The Company shall provide adequate resources and the following information to the Remuneration Committee for its decision making and the performance of its duties:

- (a) information on fulfillment by the Company of its key financial indicators and business targets;
- (b) information on the work scope and major responsibilities and duties of the Company's senior management;
- (c) information on the status of accomplishment of indicators in the job performance appraisal system for the directors and the senior management members;
- (d) information on the overall performance of the business initiatives and profitmaking ability of the directors and the senior management members; and
- (e) basis of calculation for the allocation plan and the allocation method for remuneration based on the results of the Company.

- 3.2 The performance appraisal procedure for appraising the directors and the senior management members adopted by the Remuneration Committee shall cover:
- (a) debriefings and self – appraisals by the Company’s directors and the senior management members to the Remuneration Committee;
  - (b) the performance appraisal for the directors and the senior management members conducted by the Remuneration Committee according to the performance appraisal standards and procedures; and
  - (c) a proposal on the amount of remuneration and method of reward for the directors and the senior management members based on the result of performance appraisals and the remuneration allocation policy, to be reported to the Board after passing the resolution.
- 3.3 The Remuneration Committee shall seek advice from the chairman and/or chief executive officer on the remuneration proposals for other executive directors. Where necessary, the Remuneration Committee shall be able to obtain independent professional advice.

#### **4. Rules of Proceedings**

- 4.1 The Remuneration Committee shall meet at least annually. The attendance of the majority of the members of the Remuneration Committee shall be required to form the quorum for a meeting. Each member shall have one vote and any resolution of the meeting shall be passed by more than one half of all members. In case of a tie in votes, the chairman conducting the proceedings of the meeting may cast the deciding vote.
- 4.2 The meeting of the Remuneration Committee may be convened by any one of its members or the company secretary.
- 4.3 The notice and agenda of a meeting shall be given to the Board/all members of the Remuneration Committee at least seven (7) days prior to the meeting.
- 4.4 A member of the Remuneration Committee may attend a meeting of the Remuneration Committee in person, or participate in the meeting through other electronic communication means or other manners agreed by the members.
- 4.5 A resolution in writing signed by all members of the Remuneration Committee then incumbent, albeit respectively at different times and locations, shall be equally valid and carry the same effect as a resolution duly passed at a duly convened and held meeting of the Remuneration Committee.
- 4.6 Where necessary, the Remuneration Committee may also invite directors and other senior management members of the Company to attend the meeting.
- 4.7 If a member of the Remuneration Committee is interested in any way, directly or indirectly, in the contracts entered into or contracts or arrangements proposed to be entered into by the Company, he/she must declare the nature of his/her interests at the meeting of the Remuneration Committee.

- 4.8 If a member of the Remuneration Committee has material personal interests, whether directly or indirectly, in the contracts entered into or contracts or arrangements proposed to be entered into by the Company, he/she shall abstain from voting in respect thereof, otherwise his/her vote shall not be counted towards the total number of votes.
- 4.9 A member of the Remuneration Committee shall abstain from voting in respect of any resolution pertaining to his/her remuneration or the remunerations of any of his/her related party/parties.
- 4.10 Where necessary, the Remuneration Committee may engage agencies at the cost of the Company to provide professional advice in relation to its decisions.
- 4.11 The company secretary shall act as the secretary to the Remuneration Committee. The company secretary (or the representative appointed by the company secretary or the person appointed by the Nomination Committee at the meeting if the company secretary is unable to attend) shall attend the meeting of the Remuneration Committee and take minutes for the meeting.
- 4.12 The Remuneration Committee shall cause all agenda and minutes of meetings of the Remuneration Committee to be included in the meeting minutes of the Company, and such meeting minutes shall be signed by the chairman of the meeting at which such agenda is conducted or the chairman of the immediate next meeting.
- 4.13 The secretary to the Remuneration Committee shall circulate the minutes and reports of the meetings of the Remuneration Committee to all members of the Board for their review.

## **5. Miscellaneous**

- 5.1 These terms of reference shall be implemented from the date on which they are approved by the Board of the Company by way of a resolution.

**BOARD OF DIRECTORS  
VITAL INNOVATIONS HOLDINGS LIMITED**

**維太創科控股有限公司**

28 December 2022

Effective as from 28 December 2022