



**HARBOUR DIGITAL**

**Harbour Digital Asset Capital Limited**

**港灣數字產業資本有限公司**

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

**(Stock code: 913)**

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

**(Adopted on 29 March 2012 and amended on 30 December 2022)**

### **1. Purpose**

The remuneration committee (the “**Remuneration Committee**”) is to make recommendations to the board of directors (the “**Board**”) of Harbour Digital Asset Capital Limited (the “**Company**”) on remuneration matters of the directors and senior management<sup>1</sup> of the Company, so as to ensure their remuneration package are fair and transparent.

### **2. Membership**

- 2.1 The Remuneration Committee shall consist of not less than three (3) members (the “**Member(s)**”) appointed by the Board from time to time.
- 2.2 The chairman of the Remuneration Committee (the “**Chairman**”) shall be appointed by the Board and should be an independent non-executive director of the Company (“**INED(s)**”).
- 2.3 The Board may from time to time appoint additional Members to the Remuneration Committee from among the directors of the Company (“**Director(s)**”), subject to the condition that the INEDs shall constitute the majority of the Remuneration Committee and be the Chairman.

### **3. Secretary**

The company secretary of the Company (the “**Company Secretary**”) shall be the secretary of the Remuneration Committee. In the absence of the Company Secretary, his/her delegate(s) or any person elected by the Members present at the meeting of the Remuneration Committee shall attend the meeting of the Remuneration Committee and take minutes.

#### **4. Meetings and Quorum**

- 4.1 The Remuneration Committee shall meet at least once a year.
- 4.2 The Chairman may convene additional meetings as and when the work of the Remuneration Committee demands.
- 4.3 A quorum of the Remuneration Committee shall be two (2) Members, one of whom should be the Chairman, unless he/she is unable to attend due to exceptional circumstances or in respect of the resolution regarding the remuneration payable to him/her.
- 4.4 The Chairman (or in his or her absence, a Member designated by the Chairman) shall preside at all meetings of the Remuneration Committee. In the absence of the Chairman or a Member designated by the Chairman, the remaining Members present shall elect one of their Members (who shall be an INED) to chair the meeting.
- 4.5 Only Members are entitled to vote at the meeting of the Remuneration Committee.
- 4.6 A Member shall abstain from voting and shall not be counted in the quorum of a meeting in respect of resolution regarding the remuneration payable to him/her.
- 4.7 As necessary or desirable, the Chairman may invite members of management or others to attend the meetings of the Remuneration Committee.

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

The Chairman (or in his or her absence, a Member designated by the Chairman) shall endeavor to attend the annual general meeting of the Company and be prepared to respond to questions from shareholders of the Company on the Remuneration Committee's activities and its responsibilities.

#### **6. Role and Authority**

- 6.1 The Remuneration Committee is authorised by the Board to investigate any activity within its terms of reference and all employees of the Company are directed to co-operate as requested by the Members. The Remuneration Committee is authorised by the Board to consult the chairman and/or chief executive officer of the Company about their remuneration proposals for other executive Directors and senior management<sup>1</sup>.
- 6.2 The Remuneration Committee is authorised by the Board to obtain professional advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company if necessary.
- 6.3 The Remuneration Committee shall be provided with sufficient resources to discharge its duties.

## 7. Duties and Responsibilities

The duties and responsibilities of the Remuneration Committee include the following:

- 7.1 to make recommendations to the Board on the Company's policy and structure for remuneration of Directors and senior management<sup>1</sup> and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- 7.2 either (i) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management<sup>1</sup>; or (ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management<sup>1</sup>, including where appropriate, benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment etc). The Remuneration Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors in the Group, employment conditions and desirability of performance-based remuneration;
- 7.3 to make recommendations to the Board on the remuneration of non-executive Directors;
- 7.4 to review and approve the management's remuneration proposals including performance-based bonus and incentive payments (if any) for executive Directors, senior management<sup>1</sup> and general staff by reference to corporate goals and objectives resolved by the Board from time to time;
- 7.5 to review and approve compensation payable to executive Directors and senior management<sup>1</sup> in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive to the Company;
- 7.6 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;
- 7.7 to review and/or approve matters relating to share schemes adopted and/or regulated under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**");
- 7.8 to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration, his/her remuneration or any of his/her associates' remuneration should be determined by other Members of the Remuneration Committee;

- 7.9 to advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under the Listing Rules; and
- 7.10 to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or imposed by legislation.

## **8. Reporting Procedures**

- 8.1 The Chairman shall report the findings and recommendations to the Board after each meeting on all matters within its duties and responsibilities.
- 8.2 Minutes of meetings of the Remuneration Committee and the record of individual attendance at such meetings shall be prepared by the secretary of the Remuneration Committee which shall be sent to all Members and members of the Board as soon as practicable after the conclusion of any meeting of the Remuneration Committee.
- 8.3 Minutes of the Remuneration Committee meetings shall be kept by the Company Secretary.

## **9. Amendments**

The Board may from time to time amend, repeal and/or re-enact all and any part of this terms of reference.

## **10. General**

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

The Chinese version of this document is for reference only. In case of any discrepancies or inconsistency between the English version and Chinese version, the English version prevails.

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<sup>1</sup> "senior management" should refer to the same category of persons as referred to in the Company's annual report and is required to be disclosed under Appendix 16 of the Listing Rules.