



E-COMMODITIES HOLDINGS LIMITED

易大宗控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 1733)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE (the “Committee”)

(amended and adopted with effect from 1 January 2023)

Membership

1. The Committee shall consist of not less than three directors of the Company (“**Director(s)**”) appointed by the board of Directors of the Company (the “**Board**”) from time to time, with the majority of the members being independent non-executive Directors of the Company.
2. The Chairman of the Committee shall be appointed by the Board and shall be an independent non-executive Director.
3. Each member of the Committee shall disclose to the Committee: (i) any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Committee; or (ii) any potential conflict of interest arising from cross-directorships. Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Committee.
4. The appointment of the members of the Committee may be revoked and new members can be appointed in their stead, by resolutions passed by the Board and by the Committee respectively.
5. No alternate member of any member of the Committee can be appointed.
6. The Company Secretary of the Company shall be the secretary of the Committee.

Frequency and proceedings of meetings

7. The Committee shall meet at least once a year. Additional meetings should be held as and when the work of the Committee demands or at the request of the Board.
8. The Chairman of the Committee may convene additional meetings at his/her discretion.

9. The quorum of a meeting shall be two members of the Committee.
10. A member of the Committee shall abstain from voting and shall not be counted in the quorum of a meeting in respect of the resolution regarding the remuneration payable to him.
11. The meetings and proceedings of the Committee shall be governed by the provisions of the articles of association of the Company (as amended from time to time) (the “**Articles**”) regulating meetings and proceedings of the Board (so far as they are applicable), unless otherwise provided by these terms of reference or agreed by the Committee. Unless otherwise agreed, a meeting shall be called by at least seven days’ notice, which shall state the time and place of meeting and enclosed with an agenda together with other documents which may be required to be considered by the Committee. Irrespective of the length of notice being given, attendance of a meeting by a member shall be deemed a waiver of the requisite length of notice by such member.

Annual General Meeting

12. The Chairman of the Board shall invite the Chairman of the Committee to attend the Company’s Annual General Meeting. In the absence of the Chairman of the Committee, the Chairman of the Board shall invite another member of the Committee or failing this his/her duly appointed delegate to attend. Such attendee should be available to respond to shareholders’ questions on the Committee’s activities at the Annual General Meeting.

Responsibility

13. The Committee is to review and formulate policies in respect of remuneration structure for all Directors and senior management of the Company (“**Senior Management**”) and make recommendations to the Board for its consideration. For the purpose of these terms of reference, Senior Management refers to the same category of persons as referred to in the Company’s annual report and is required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time, the “**Listing Rules**”).

Duties, powers and functions

14. The Committee is to: –
 - (a) make recommendations 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 remuneration policy;
 - (b) review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;

- (c) either:
 - (i) determine, with delegated responsibility, the remuneration packages of individual executive Directors and Senior Management; or
 - (ii) make recommendations to the Board on the remuneration packages of individual executive Directors and Senior Management.

This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- (d) make recommendations to the Board on the remuneration of non-executive Directors;
- (e) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (f) ensure that a significant portion of executive Directors' remuneration should link rewards to corporate and individual performance;
- (g) determine the time of payment of any performance-based remuneration;
- (h) 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;
- (i) 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;
- (j) ensure that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration and that, as regards the remuneration of a Director who is a member of the Committee, his/her remuneration should be determined by the other members of the Committee;
- (k) advise on how to vote with respect to any service contracts of Directors, which is for a duration that may exceed 3 years or not determinable by the Company within one year or without payment of compensation or without other payments equivalent to more than one year's emoluments that require shareholders' approval under the Listing Rules;
- (l) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules, and consider the granting of share awards or other incentives to Directors pursuant to the relevant share schemes adopted by the Company;

- (m) ensure due compliance with any relevant disclosure requirements in respect of the remuneration of Directors under the Listing Rules, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and any other statutory requirements;
- (n) review and make recommendations to the Board regarding the pension arrangements for Directors and Senior Management;
- (o) review and report to the Board on any suspected irregularities in the reimbursement of unreasonable out-of-pocket expenses of Directors and Senior Management;
- (p) review and approve the interim report, annual report, announcement and circular or any publication of the Company regarding remuneration and service contracts of the Directors prior to approval by the Board;
- (q) to be provided with sufficient resources to perform its duties;
- (r) make available these terms of reference, explaining its role and the authority delegated to it by the Board;
- (s) engage such external legal, financial or other professional advisers or other persons to enable it to discharge its duties as it considers necessary; and
- (t) consider other matters, as defined or assigned by the Board from time to time.

Reporting Procedures

15. Full minutes of the meetings of the Committee shall be kept by the secretary of the Committee, who shall prepare and send draft and final versions of minutes of meetings and all written resolutions of the Committee to all members of the Committee for their comments and records respectively, in both cases within a reasonable time after the meeting.
16. The Committee should report to the Board on a regular basis on its decisions or recommendations.
17. At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report to the Board on the findings and recommendations of the Committee. At least once annually, the Committee should present a report in writing to the Board which addresses the work and findings of the Committee during the year.

Publication of the Terms of Reference

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