



潼關黃金集團有限公司 Tongguan Gold Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00340)

TONGGUAN GOLD GROUP LIMITED

(the “Company”)

REMUNERATION COMMITTEE TERMS OF REFERENCE

I. General

1. In order to enhance the directors’ and senior management’s remuneration policy and to strengthen corporate governance of the Company, the board of directors of the Company (the “Board”) has resolved to establish a remuneration committee under the Board (the “Committee”) with the terms of reference as set out herein below.
2. The Committee shall act in accordance with these terms of reference and carry out its duties with the delegated authority of the Board.
3. The term “director” mentioned in this document includes executive directors, non-executive directors and independent non-executive directors and the term “senior management” refers to the same persons referred to in the Company’s annual report and required to be disclosed under Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).
4. The Committee should be provided with sufficient resources to perform its duties. The Committee should have access to independent professional advice in the expenses of the Company if necessary.

II. Membership

1. Members of the Committee should be appointed by the Board from amongst the directors of the Company. The Committee shall consist of not less than three members and a majority should be independent non-executive directors. Any member who ceases to be a director of the Company shall also cease to be a member of the Committee and the vacancy shall be filled by the Board as soon as possible.
2. The chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director.

III. Secretary

The company secretary of the Company shall be the secretary of the Committee.

IV. Authorities and Duties

The authorities and duties of the Committee are as follows:

1. To 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;
2. To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. To consult the chairman and/or chief executive about their remuneration proposals for other executive directors;
4. To 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;

5. To make recommendations to the Board on the remuneration of non-executive directors;
6. To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
7. To 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 relevant contractual terms and is otherwise fair and not excessive;
8. To 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;
9. To ensure that no director or any of their associates is involved in deciding that director's own remuneration;
10. To review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and

11. To deal with any other matters delegated by the Board or otherwise required by the Listing Rules, from time to time.

The Committee shall report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

V. Procedures

1. The quorum for meetings shall be two. Every member present at the meeting shall have one vote and all resolutions shall be passed by a simple majority.
2. Committee meetings shall be held at least once a year and also as and when required. Usually, meetings are convened by the chairman of the Committee; however, other members of the Committee can also convene meetings as necessary. Notice of at least 3 days should be given of a meeting to give all Committee members an opportunity to attend or over half of the members of the Committee agree the reasonable shorter notice should be given.
3. All Committee meetings shall be chaired by the chairman of the Committee and in his absent, other members shall elect between themselves a person as the chairman of the meeting.
4. The Committee members may invite other directors, professionals, senior management or other employees of the Company to attend their meetings if they considered necessary.
5. All members and others present at the meetings shall have the obligations of confidentiality.

VI. Minutes of the Meetings

The secretary of the Committee shall maintain proper minutes of the meetings. Draft and final versions of minutes of the Committee meetings should be sent to all members of the Committee for their comment and records respectively, in both cases within a reasonable time after the meeting.

VII. Effective

These terms of reference shall be effected and implemented from the date of the Board approving the document.

Note: If there is any inconsistency between the English and Chinese versions of this Terms of Reference, the English version shall prevail.

(Approved by the Board on 27 March 2023 and effective from 1 January 2023)