



**Yip's Chemical Holdings Limited**  
(the “Company”)

**Terms of Reference of the Remuneration Committee**

(Adopted by the Board of Directors on 29 June 2005 and updated on 16 March 2010, 2 December 2013, 18 December 2018, 31 December 2020 and 14 December 2022 respectively)

**Constitution**

1. The board (the “**Board**”) of directors of the Company (the “**Directors**” and each a “**Director**”) had resolved to establish a committee known as the Remuneration Committee (the “**Committee**”).

**Membership**

2. The Committee shall comprise of at least two members, and majority of the members of the Committee (“**Members**” and each a “**Member**”) should be independent non-executive Directors. The Committee shall be chaired by an independent non-executive Director and all Members shall be appointed and removed by the Board.

**Quorum**

3. The quorum necessary for the transaction of the business of the Committee shall be two.

**Meetings**

4. The Committee shall meet not less than once a year.
5. The Head of the Group Human Resources of the Company or his/her nominee shall act as the secretary of the Committee.
6. Unless otherwise agreed by all Members, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded to each Member and any other person required to attend, no later than 5 working days before the date of the meeting. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice.

7. Meetings could be held in person, by telephone, by video conference or by using similar communication equipment, provided that all persons participating in the meeting are capable of hearing each other.
8. A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
9. Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings. Minutes of Committee meetings shall be circulated promptly to all Members and, once agreed, to all Members of the Board.

#### **Annual general meeting**

10. The chairman of the Committee shall attend the annual general meeting prepared to respond to any shareholder questions on the Committee's activities.

#### **Authority**

11. The Committee is authorised to seek any information it requires from any employee or Director in order to perform its duties. In connection with its duties, the Committee is authorised to obtain advice from any person, including professional consultants, whom it regards as competent to give such advice.

#### **Powers and duties**

12. The Committee shall make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management (as defined in paragraph 12 of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the **Listing Rules**")) and on the establishment of a formal and transparent procedure for developing remuneration policy.
13. The Committee shall exercise the powers of the Board to determine the remuneration packages of individual executive Directors and senior management, (including salaries, bonuses, benefits in kind, the terms on which they participate in any share or other incentive scheme and any provident fund or other retirement benefit scheme and compensation payments (including any compensation payable for loss or termination of their office or appointment)).
14. The Committee shall consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group.

15. The Committee shall review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
16. The Committee shall 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.
17. The Committee shall 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.
18. The Committee shall make recommendations to the Board on the remuneration of non-executive Directors.
19. The Committee should ensure that no Director or any of his associates is involved in deciding his/her own remuneration.
20. The Committee shall review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.
21. The Committee shall report to the Directors its activities as the Board may require from time to time.
22. The Committee shall 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 Board may from time to time delegate to it, having regard to the "Corporate Governance Code" (the "**CG Code**") set out in the Appendix 14 of the Listing Rules.
23. In exercising its power, authorities and discretions and performing its duties, the Committee shall take full account of the CG Code and the Listing Rules.

## **Review**

24. The Committee shall review this terms of reference once every eight years or subject to specific circumstances to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.