



BAGUIO GREEN GROUP LIMITED

碧瑤綠色集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1397)

(“Company”)

**Terms of reference of
Remuneration Committee
 (“Committee”)**

(Approved and adopted by the board of directors of the Company (the “Board”) on 24 April 2014 and amended by the Board on 4 September 2023)

Membership

1. The Committee shall consist of at least three directors with majority of independent non-executive directors appointed by the Board from time to time.
2. The Board shall appoint one of the members as the Chairman of the Committee.
3. The company secretary of the Company or a nominee shall be the Secretary of the Committee.

Frequency and proceedings of meeting

4. The Committee should meet at least once per year and can be either in person or through other electronic means of communication. Additional meetings shall be held as the work of the Committee demands.
5. The Chairman of the Committee may convene additional meetings at his discretion and upon request by any member of the Committee.
6. The quorum of the Committee meeting shall be two members of the Committee.
7. Proceedings of meetings of the Committee shall be governed by the provisions of the Articles of Association of the Company.

Duties, powers and functions

8. The Committee shall:

- (a) formulate remuneration policy for approval by the Board, which shall take into account factors such as salaries paid by comparable companies, employment conditions, and responsibilities, and individual performance of the directors, senior management, and the general staff. Performance shall be measured against corporate goals and objectives resolved by the Board from time to time; and implement the remuneration policy laid down by the Board;
- (b) without prejudice to the generality of the foregoing:
 - (i) establish guidelines for the recruitment of the Managing Director and senior management;
 - (ii) make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration whilst ensuring no director or any of his associates is involved in deciding his own remuneration;
 - (iii) make recommendations to the Board on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (iv) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (v) determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. The Chairman and/or the Managing Director shall be consulted respectively about their proposals relating to the remuneration of the Managing Director and/or senior management, as the case may be;

- (vi) 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;
- (vii) 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;
- (viii) determine the criteria for assessing employee performance, which should reflect the Company's business objectives and targets;
- (ix) consider the annual performance bonus for Executive Directors, senior management, and the general staff, having regard to their achievements against the performance criteria by reference to market norms, and make recommendations to the Board;
- (x) make recommendations to the Board on the remuneration of non-executive Directors;
- (xi) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- (xii) 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;
- (xiii) engage such external independent professional advisors to assist and/or advise the Committee on issues as it considers necessary;
- (xiv) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (xv) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

Authority

9. The Committee is authorized by the Board to seek information from the Company regarding the employment terms of the Directors and employees of the Group, and to seek information it requires from any employee in order to perform its duties.
10. The Company shall provide the Committee with sufficient resources to perform its duties, where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.
11. In carrying out its duties under these terms of reference, the Remuneration Committee should consult the chairman of the Board and/or the chief executive officer about its proposals relating to the remuneration of the Executive Directors.

Reporting Procedures

12. The Secretary of the Committee shall circulate the minutes of the Committee meetings, reports of the Committee and relevant information to all directors of the Company.