



THE SINCERE COMPANY, LIMITED

(the “Company”)

(Incorporated in Hong Kong with limited liability)

(Stock code: 0244)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

(amended and approved by the board of directors on 11 January 2023)

1 Membership

- 1.1 Members of the Remuneration Committee shall be appointed by the board of directors (the “Board”).
- 1.2 A majority of the members of the Remuneration Committee shall be independent non-executive directors.

2 Chairman

- 2.1 The chairman of the Remuneration Committee shall be appointed by the Board and shall be an independent non-executive director.

3 Quorum

- 3.1 The quorum for meetings of the Remuneration Committee shall be any two members.
- 3.2 A duly convened meeting of the Remuneration Committee at which a quorum is present at the time when the meeting proceeds to business and continues to be present until the conclusion of the meeting, shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Remuneration Committee.

4 Frequency of meetings and proceedings of the Remuneration Committee

- 4.1 The Remuneration Committee shall meet at least once a year (“regular meeting(s)”).
- 4.2 The articles of association of the Company regulating the meetings and proceedings of the directors so far as the same are applicable and not inconsistent with the provisions of these terms of reference shall apply, mutatis mutandis, to regulate the meetings and proceedings of the Remuneration Committee.

5 Attendance at meetings

- 5.1 Members of the Remuneration Committee may attend meetings of the Remuneration Committee either in person, by telephone or through other electronic means of communication (which are available to all attended parties).

6 Annual general meeting

- 6.1 The chairman of the Remuneration Committee or in his absence, another member of the Remuneration Committee or failing this, his duly appointed delegate, shall attend the Annual General Meeting of the Company and be prepared to respond to questions at the Annual General Meeting on the Remuneration Committee’s activities and their responsibilities.

7 Duties

- 7.1 The duties of the Remuneration Committee are as follows:-
- (a) to 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 such policy;
 - (b) to have the delegated responsibility to determine the specific remuneration packages of all 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, and make recommendations to the Board of the remuneration of non-executive directors. The Remuneration Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group and desirability of performance-based remuneration;

- (c) to review and approve performance-based remuneration and the management's remuneration proposals by reference to corporate goals and objectives resolved by the Board from time to time;
- (d) to review and approve the compensation payable to executive directors and senior management 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 for the Company;
- (e) 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;
- (f) to ensure that no director or any of their associates is involved in deciding that director's own remuneration;
- (g) to advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under Rule 13.68 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"); and
- (h) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Note: "Senior Management" shall refer to the same category of persons as referred to in the Company's annual report.

7.2 The authorities and duties of the Remuneration Committee shall also include those as prescribed under the Corporate Governance Code (as amended from time to time), Appendix 14 to the Listing Rules.

8 Reporting responsibilities

- 8.1 The Remuneration Committee shall compile a report to shareholders on its role and work performed by it during the year, including determining the policy for the remuneration of executive directors, assessing performance of executive directors and approving executive directors' service contracts, for inclusion in the Company's Corporate Governance Report.
- 8.2 Where the Board disagrees with the Remuneration Committee's view, the Remuneration Committee shall prepare a statement explaining its recommendations. The Board shall include in the same report the reason(s) why the Board has taken a different view.
- 8.3 The Remuneration Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so.

9 Others

- 9.1 The Remuneration Committee shall consult the Chairman of the Board and/or Chief Executive Officer about their proposals relating to the remuneration of other executive directors and shall have access to professional advice if considered necessary.
- 9.2 The Remuneration Committee shall be provided with sufficient resources to discharge its duties.
- 9.3 All members of the Remuneration Committee shall have access to the advice and services of the secretary of the Remuneration Committee with a view to ensuring that procedures of the Remuneration Committee and all applicable rules and regulations are followed.
- 9.4 In the event that the Remuneration Committee or any member of the Remuneration Committee requires access to outside independent professional advice in connection with its/his duties (e.g., legal advice and advice from human resource consultants), a request may be made to the Board through the company secretary. All such requests shall be processed in accordance with the Company's pre-defined procedures for seeking independent professional advice at the Company's expense.
- 9.5 Every member of the Remuneration Committee shall ensure that he can give sufficient time and attention to his duties as a member of the Remuneration Committee. He shall give the Company the benefit of his skills and expertise through regular attendance and active participation.

- 9.6 The Remuneration Committee is authorised by the Board to seek such further information from the management of the Company as it may require in order to enable it discharge its duties.
- 9.7 The Remuneration Committee and each of its members shall have separate and independent access to the Company's senior management.
- 9.8 Where the Board resolves to approve any remuneration or compensation arrangements which the Remuneration Committee has previously resolved not to approve, the Remuneration Committee shall recommend to the Board to disclose the reasons for its resolution in the Company's next annual report.

Note: "Senior Management" shall refer to the same category of persons as referred to in the Company's annual report.