

# REPUBLIC HEALTHCARE LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

(the “**Company**”)

(Stock Code: 8357)

## TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

### 1. Constitution

1.1 The board of directors (the “**Board**”) of the Company (together with its subsidiaries, the “**Group**”) resolved to establish a committee of the Board to be known as the Remuneration Committee (the “**Remuneration Committee**”) at a meeting held on 18 May 2018 and has adopted the following terms of reference for the Remuneration Committee.

### 2. Membership

2.1 The Remuneration Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members (the “**Members**”).

2.2 The majority of the Members shall be independent non-executive directors of the Company (the “**INEDs**”).

2.3 The chairman of the Remuneration Committee shall be an INED and appointed by the Board.

### 3. Secretary

3.1 The company secretary of the Company (the “**Company Secretary**”) shall be the secretary of the Remuneration Committee. In the absence of the Company Secretary, his/her delegate(s) or any person elected by the Members present at the meeting of the Remuneration Committee shall attend the meeting of the Remuneration Committee and take minutes.

3.2 Notwithstanding any other provisions in these terms of reference, the Remuneration Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Remuneration Committee.

### 4. Meetings

4.1 The Remuneration Committee shall meet at least once a year. The chairman of the Remuneration Committee may convene additional meetings at his discretion.

4.2 Notice of any meetings confirming the venue, time and date and including an agenda and accompanying papers has to be given at least 7 days prior to any such meeting being held provided that if a meeting is called by a shorter notice, it shall be deemed to have been duly called if it is so agreed by a majority of the

Members. A Member who attends such a meeting shall deem to agree to the shorter notice. Notice of any adjourned meetings is not required if the adjournment is less than 14 days.

- 4.3 The quorum of the Remuneration Committee shall be two Members.
- 4.4 Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by telephone or through other electronic means of communication provided that all persons participating in the meeting are capable of hearing each other.
- 4.5 Resolutions of the Remuneration Committee at any meetings shall be passed by a majority of votes of the Members present.
- 4.6 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 Remuneration Committee duly convened and held.
- 4.7 Minutes shall be kept by the secretary of the Remuneration Committee and shall be available for inspection by any Member and/or any director of the Company at any reasonable time on reasonable notice. Draft and final versions of minutes shall be circulated to all Members for their comment and records respectively, in both cases within a reasonable period of time after the meeting.

## **5. Attendance and Voting at Meetings**

- 5.1 At the invitation of the Remuneration Committee, the chairman of the Board and/or the Chief Executive Officer (if not a member of the Remuneration Committee), external advisers and other persons may attend all or part of any meetings.
- 5.2 Only Members are entitled to vote at the meetings.

## **6. Annual General Meeting**

- 6.1 The Chairman of the Remuneration Committee or a Member shall attend the Company's annual general meeting and be prepared to respond to shareholders' questions on the Remuneration Committee's activities and its responsibilities. If the chairman of the Remuneration Committee is unable to attend, a Member (who must be an independent non-executive director) shall attend the annual general meeting of the Company. Such person shall be prepared to respond to any shareholder's questions on the Remuneration Committee's activities.

## **7. Continuing application of the articles of association of the Company**

- 7.1 The articles of association of the Company regulating the meetings and proceedings of all directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

## **8. Responsibility and Powers**

The Remuneration Committee shall have the following duties and powers:

- 8.1 to make recommendations to the Board on the Company's policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 8.2 to make recommendations to the Board on the remuneration packages of all 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, and make recommendations to the Board on the remuneration of non-executive directors. The Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, and employment conditions elsewhere in the Group and desirability of performance-based remuneration;
- 8.3 to review and approve the management's performance-based remuneration proposals with reference to the Board's corporate goals and objectives from time to time;
- 8.4 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 contractual terms and is otherwise fair and not excessive;
- 8.5 to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with the relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
- 8.6 to ensure that no director or any of his associates is involved in deciding his own remuneration;
- 8.7 to advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under the Listing Rules; and
- 8.8 to accommodate a model where the Remuneration Committee performs an advisory role to the Board, with the Board retaining the final authority to approve executive directors' and senior management's remuneration.

## **9. Reporting**

- 9.1 The Remuneration Committee shall report to the Board after each meeting on all matters within its responsibilities.

## **10. Authority**

- 10.1 The Remuneration Committee shall consult the chairman of the Board and/or Chief Executive Officer about their remuneration proposals for other executive

directors and senior management <sup>Note 1</sup>.

- 10.2 The Remuneration Committee is authorised by the Board to seek any remuneration related information it requires from senior management of the Company in order to perform its duties.
- 10.3 The Remuneration Committee is authorised by the Board where necessary to have access to professional advice <sup>Note 2</sup>. The professional advice made available to the Remuneration Committee should be independent.
- 10.4 The Remuneration Committee shall have access to sufficient resources to perform its duties.
- 10.5 The Company should disclose details of any remuneration payable to members of senior management by band in its annual report.

## **11. Publication of the Terms of Reference**

- 11.1 These terms of reference, explaining the role of the Remuneration Committee and the authority delegated to it by the Board, will be posted on both the websites of the Company and The Stock Exchange of Hong Kong Limited.

### Notes:

1. “senior management” should refer to the same category of persons as referred to in the Company’s annual report and is required to be disclosed under rule 18.39 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.
2. Arrangement to seek professional advice could be made through the Company Secretary.

*If there is any inconsistency between the English and Chinese versions of these Terms of Reference, the English version shall prevail.*