



MORRIS
HOME HOLDINGS LIMITED

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慕容家居控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1575)

REMUNERATION COMMITTEE

TERMS OF REFERENCE

Constitution

1. The board of directors (the “**Board**”) of Morris Home Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) has resolved to establish a Committee of the Board to be known as the Remuneration Committee (the “**Committee**”) at a meeting held on 10 December 2016.

Membership and Quorum

2. The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom should be independent non-executive directors of the Company. A quorum shall be two members.
3. The chairman of the Committee shall be appointed by the Board.

Secretary

4. The company secretary of the Company, or in his absence, his representative, shall act as the secretary of the Committee (the “**Secretary**”). The Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary.

Frequency of meetings

5. Meetings shall be held not less than once a year. The Committee members may also call any meetings at any time when necessary or desirable.

Notice of meetings

6. Notice of meetings shall be given to all members of the Committee at least two days before the meeting.

This notice may be waived from to time upon the unanimously agreement by the Committee members.

Casting vote

7. In the case of an equality of votes, the chairman of the Committee shall have the casting vote.

Consultation

8. The Committee should consult the chairman and/or chief executive officer of the Company about their proposals relating to the remuneration of other executive directors of the Company, if any, and, at the expenses of the Company, have access to professional advice if considered necessary.

Authority

9. The Committee is authorised by the Board to investigate any activity within its terms of reference and seek any necessary information which is within its scope of duties from the employees of the Company and its subsidiaries (including the members of the Board).

Duties

10. The duties of the Committee shall be:
 - (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 formal and transparent procedures for developing policy on such remuneration;
 - (b) to review and approve the remuneration proposals for the directors and senior management with reference to corporate goals and objectives stipulated by the Board from time to time;
 - (c) either:
 - (i) to 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); or

- (ii) to make recommendations to the Board on 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). Where the Board resolves to approve any remuneration or compensation arrangements with which the Remuneration Committee disagrees, the Board should disclose the reasons for its resolution in its next Corporate Governance Report.
- (d) to make recommendations to the Board on the remuneration of non-executive directors;
- (e) for the purpose of determining the remuneration of directors and employees in relation to the Company, the Remuneration Committee should consider factors including but not limited to salaries paid by comparable companies, time commitment and responsibilities of the directors/employees, employment conditions elsewhere in the group, and whether the remuneration is commensurate with performance. The Remuneration Committee shall ensure that salary levels are able to attract and retain the directors who contribute to the operation of the Company and shall also prevent the Company from paying excessive remuneration to directors;
- (f) 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;
- (g) 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;
- (h) to ensure that no director or any of his/her associates is involved in deciding that director's own remuneration;
- (i) with respect to any service contracts of the directors that require the 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**"), to advise the shareholders as to whether the terms are fair and reasonable, whether such contracts are in the interests of the Company and its shareholders as a whole and as to how to vote; and
- (j) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Reporting procedures

11. The Secretary or his/her representative shall circulate the minutes of meetings and reports of the Committee to all members of the Board.
12. The Committee shall report to the Board of its findings, decisions and recommendations.
13. Reports to the Board and minutes of the Committee should be approved by the Committee before submitting to the Board.

Adopted on 10 December 2016 and updated on 31 December 2022