

New World Development Company Limited (“Company”)
Terms of Reference of Remuneration Committee (the “Committee”)
(Revised on 13 December 2022 and effective on 1 January 2023)

1 Membership

- 1.1 Members of the Committee shall be appointed by the board of directors of the Company (the “**Board**”) and shall be made up of at least two members.
- 1.2 Majority of the members of the Committee should be independent non-executive directors.
- 1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as other directors, representatives from Human Resources Department and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.4 The Chairman of the Committee shall be appointed by the Board from amongst the independent non-executive directors.
- 1.5 A member of the Committee who ceases to be a member of the Board shall immediately and automatically cease to be a member of the Committee.

2 Secretary

- 2.1 The secretary of the Committee shall be appointed by the Committee.

3 Proceeding of Meetings

- 3.1 The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.2 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the members of the Committee present. In the case of any equality of votes, the Chairman of the Committee shall have a casting vote.
- 3.3 Unless specified by these terms of reference, meetings and proceedings of the Committee shall be governed by the Company’s Articles of Association regulating the meetings and proceedings of the directors.

4 Frequency of Meetings

- 4.1 The Committee shall meet at least once a year.

5 Notice of Meetings

5.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any member of the Committee.

5.2 Unless otherwise waived by all members of the Committee, 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 of the Committee no later than 3 days before the date of the meeting. Supporting papers shall be sent to the Committee members and to other attendees as appropriate, at the same time.

6 Minutes of Meetings

6.1 The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

6.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all other members of the Board.

7 Authority

7.1 The Committee should consult the chairman of the Company and/or chief executive about their remuneration proposals for other executive directors.

7.2 The Committee is authorized by the Board to be provided with sufficient resources to perform its duties.

7.3 In connection with its duties the Committee is authorized by the Board to obtain, at the Company's expense, outside legal or other independent professional advice. Such expenditure shall be within limits agreed by the Board.

8 Duties

8.1 The duties of the Committee shall be:

- (a) 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;
- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

- (c) 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;
- (d) to make recommendations to the Board on the remuneration of non-executive directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (f) 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;
- (g) to 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;
- (h) to ensure that no director or any of their associates is involved in deciding that director's own remuneration; and
- (i) to 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.

9 Reporting Responsibilities

- 9.1 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.2 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 9.3 The Chairman of the Committee, or failing him, any member of the Committee shall attend the annual general meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.
- 9.4 The Committee shall report back to the Board and keep the Board informed of its decisions and recommendations, unless prohibited by applicable laws and regulations.

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