

TAUNG GOLD INTERNATIONAL LIMITED (the “Company”)
TERMS OF REFERENCE OF
REMUNERATION COMMITTEE (the “Committee”)

A. Constitution

- A.1 The Committee has been set up by the Company’s Board of Directors (the “Board”), pursuant to a resolution passed by the Board on 20 July 2005.
- A.2 These terms of reference with the authority and duties of the Committee have been approved by the Board on 17 March 2012 and subsequently on 1 February 2023 which superseded previously adopted terms of reference. The Board has the authority to review and amend the terms of reference from time to time.

B. Membership

- B.1 The Committee shall consists of a minimum of three members (the “Member(s)”) appointed by the Board from time to time. A majority of the Members shall be Independent Non-executive Directors.
- B.2 The Board shall appoint the chairman of the Committee who shall be an Independent Non-executive Director.
- B.3 The Company Secretary of the Company shall be the secretary of the Committee.

C. Authority

- C.1 The Committee is authorized by the Board to perform any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- C.2 The Committee is authorized by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

D. Responsibilities and Duties

- D.1 To make recommendations to the Board on the Company’s policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

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- D.2 To determine, with delegated responsibility the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.
- D.3 To make recommendations to the Board on the remuneration of Non-executive Directors.
- D.4 To consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group.
- D.5 To review and approve the management’s proposals with reference to the Board’s corporate goals and objectives.
- D.6 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.
- D.7 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.
- D.8 To ensure that no Director or any of their associates is involved in deciding that Directors’ own remuneration.
- D.9 The Committee should consult the chairman and/or chief executive about their remuneration proposals for other executive Directors. The Committee should have access to independent professional advice if necessary.
- D.10 The Committee should be provided with sufficient resources to perform its duties.
- D.11 The Committee shall form a view in respect of service contracts that require shareholders’ approval and advise shareholders of the Company (other than shareholders who are Directors with a material interest in the service contracts and their associates) as to whether the terms are fair and reasonable, advise whether such contracts are in the interests of the Company and its shareholders as a whole and advise shareholders on how to vote.
- D.12 The chairman of the Committee or in his absence, another Member or failing this his duly appointed delegate, to be available to answer questions at the annual general meeting.

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- D.13 Any professional advice made available to the Committee is an independent third party.
- D.14 To review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited.
- D.15 To consider and implement other matters, as defined or assigned by the Board or otherwise required by the Listing Rules from time to time.

E. Meetings

- E.1 Unless otherwise stipulated herein, the meetings and proceedings of the Committee shall be governed by the provisions contained in the Bye-laws of the Company for regulating the meetings and proceedings of Directors. Unless otherwise determined by the Board, the quorum for meeting of the Committee shall be two Members of which at least one of them must be an Independent Non-executive Director who should chair the Committee meeting.
- E.2 The Committee meetings should normally involve the active participation, either in person or through other electronic means of communication, of a majority of Members entitled to be present.
- E.3 Arrangements should be in place to ensure that all Members are given an opportunity to include matters in the agenda for regular Committee meetings.
- E.4 Notice of at least 7 days should be given to all Members.
- E.5 All Members should have access to the advice and services of the secretary of the Committee to ensure that Committee procedures, and all applicable law, rules and regulations, are followed.
- E.6 Full minutes of the Committee meetings or written resolutions should be kept by the secretary of the Committee and such minutes or written resolutions should be open for inspection at any reasonable time on reasonable notice by any Member or Director. Draft and final versions of minutes of the Committee meetings or written resolutions should be sent to all Members for their comment and records, within a reasonable time after the meeting or before the passing of the written resolutions.

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- E.7 If a Member has a conflict of interest in a matter to be considered by the Committee which the Committee has determined to be material, the matter should be dealt with by a physical Committee meeting rather than a written resolution and the interested Member shall not vote nor shall he be counted in the quorum present at the relevant meeting of the Committee.
- E.8 A resolution in writing signed by all Members for the time being shall be as effective for all purposes as a resolution of the Members passed at a meeting duly convened, held and constituted.

F. Reporting procedures

- F.1 The secretary of the Committee shall circulate the minutes or the written resolutions of Committee meetings, reports of the Committee and relevant information to all Directors within a reasonable time after the meeting or the passing of the written resolutions.
- F.2 The Committee should report back to the Board on their decisions or recommendations.
- F.3 These terms of reference are available on the Company’s website at www.taunggold.com and HKExnews website at www.hkexnews.com.