



Distinct Healthcare Holdings Limited
卓正医疗控股有限公司

(A company incorporated in the Cayman Islands with limited liability)
(Stock Code: 2677)

**TERMS OF REFERENCE OF
THE REMUNERATION COMMITTEE**

Purposes

1. The purposes of the Remuneration Committee (the “**Remuneration Committee**”) of the board (the “**Board**”) of directors (the “**Directors**”) of Distinct Healthcare Holdings Limited (卓正医疗控股有限公司) (the “**Company**”, together with its subsidiaries, the “**Group**”) are to (i) make recommendations to the Board in determining the policy and structure for the remuneration of Directors and senior management of the Company (the “**Senior Management**”), (ii) assist the Board in establishing a formal and transparent procedure for developing a remuneration policy and other remuneration-related matters, (iii) evaluate the performance of Directors and the Senior Management, (iv) recommend remuneration packages for all Directors and the Senior Management, and (v) review and approve matters relating to any share schemes of the Group.

Composition

2. The members of the Remuneration Committee shall be appointed by the Board from time to time, and shall comprise a majority of independent non-executive Directors.
3. The chairperson of the Remuneration Committee (the “**Chairperson**”) shall be appointed by the Board and shall be an independent non-executive Director.

Meetings

4. Unless otherwise stated herein, meetings and proceedings of the Remuneration Committee are governed by the provisions contained in the articles of association of the Company (as amended, supplemented or otherwise modified from time to time) (the “**Articles**”) for regulating the meetings and proceedings of Directors.
5. The Remuneration Committee shall meet at least once a year.
6. A meeting of the Remuneration Committee may be convened by any of its members. An agenda and accompanying meeting papers should be sent, in full, to all members of the Remuneration Committee in a timely manner and at least three (3) days before the intended date of a meeting of the Remuneration Committee (or other agreed period). The quorum of a meeting of the Remuneration Committee shall be any two members of the Remuneration Committee.

7. Each member of the Remuneration Committee shall have one vote. Subject to the Articles, questions arising at any meeting of the Remuneration Committee shall be decided by a majority of votes, and in the case of an equality of votes, the Chairperson shall have a second or casting vote.
8. Members of the Remuneration Committee may participate in a meeting of the Remuneration Committee by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other at the same time. Participation by a member of the Remuneration Committee in a meeting in this manner is treated as presence in person at that meeting.
9. Members of the Remuneration Committee shall appoint a secretary of the Committee (the “**Secretary**”) to take minutes. In the absence of the Secretary, his/her delegate or any person elected by the members of the Remuneration Committee present at the meeting of the Remuneration Committee shall attend the meeting of the Remuneration Committee and take minutes. Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the Chairperson or the Secretary of the meeting or succeeding meeting.
10. Full minutes of meetings of the Remuneration Committee shall be kept by the Secretary (or any other person as permitted under these Terms of Reference). The minutes shall be open for inspection at any reasonable time upon reasonable notice by any Director.
11. Minutes of meetings of the Remuneration Committee shall record in sufficient detail the matters considered and decisions reached, including any concerns raised by the members or dissenting views expressed. Draft and final versions of minutes should be sent to all members of the Remuneration Committee for their comment and records, respectively, within a reasonable time after a meeting is held.

Annual general meetings

12. The Chairperson shall attend the Company’s annual general meetings and be available to answer questions at such annual general meetings.
13. If the Chairperson is unable to attend an annual general meeting of the Company, he/she shall arrange for another member of the Remuneration Committee, or failing this, his/her duly appointed delegate, to attend in his/her place. Such person shall be available to answer questions at such annual general meeting.

Authority

14. The authority of the Remuneration Committee shall include such authority as set out in the Corporate Governance Code as contained in Appendix C1 to the Rules Governing the Listing of securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (the “**Listing Rules**”).
15. The Remuneration Committee is authorized by the Board to investigate any activity within these Terms of Reference, and seek any information it requires from any Director or employee and all Directors and employees are directed to cooperate with any request made by the Remuneration Committee.

16. The Remuneration Committee should be provided with sufficient resources to perform its duties, and is authorized by the Board to obtain independent professional advice at the Company's expense where necessary.

Duties

17. Without prejudice to any requirements under the Listing Rules, the duties of the Remuneration Committee shall include:
 - (a) making recommendations to the Board on the Company's policy and structure for remuneration for all the Directors and Senior Management and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (b) reviewing and approving remuneration proposals by the Company's management with reference to the Board's corporate goals and objectives;
 - (c) either (i) determining, with delegated responsibility, the remuneration packages of individual executive Directors and the Senior Management; or (ii) making recommendations to the Board on the remuneration packages of individual executive Directors and the Senior Management, including benefits in kind, pension rights, compensation payments and compensation payable for loss or termination of their office or appointment (if any). The Remuneration Committee should consult the chairperson of the Board and/or chief executive(s) of the Company about its remuneration proposals for other executive Directors;
 - (d) making recommendations to the Board on the remuneration of non-executive Directors;
 - (e) considering salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;
 - (f) reviewing and approving compensation payable to executive Directors and the Senior Management for any loss or termination of office or appointment to ensure that such compensation is consistent with contractual terms and is otherwise fair and not excessive;
 - (g) reviewing and approving 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) ensuring that no Director or any of his/her associates is involved in deciding that Director's own remuneration;
 - (i) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules;
 - (j) considering other topics, as defined by the Board.

Reporting procedures

18. Without prejudice to the generality of the duties of the Remuneration Committee as set out in these Terms of Reference, the Remuneration Committee shall report to the Board on, and keep the Board fully informed of, its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosures due to regulatory requirements).
19. The Remuneration Committee shall ensure that the Board as a whole and Directors individually have proper access to reports and other materials related to the Remuneration Committee's work. It shall also ensure that such reports and materials are in a form and quality sufficient to enable the Board to make informed decisions on the subject matters, and that queries raised by Directors will be addressed promptly.

Miscellaneous

20. These Terms of Reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements, including those under the Listing Rules.
21. The Remuneration Committee shall make available these Terms of Reference, explaining its role and the authority delegated to it by the Board, by including them on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company's website (www.distinctclinic.com).

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