



# ANTA Sports Products Limited

## 安踏體育用品有限公司

### Remuneration Committee Terms of Reference

#### Effective date of these terms of reference:

Revised by the Board on 30 December 2022 and effective on 30 December 2022.

#### 1. Constitution and functions

- 1.1 The Board constitutes and establishes the Committee with authority, responsibility and specific duties as described below.
- 1.2 The Committee shall make recommendations to the Board on the remuneration policy and structure for all directors of the Company and senior management of the Group and other matters relating to remuneration, for the purpose of motivating, retaining and attracting the best talent for the Group in order to maximise shareholder value.

#### 2. Composition and membership

- 2.1 The member of the Committee shall be appointed and their terms of appointment shall be determined by the Board. The Committee shall consist of at least three (3) members and a majority of independent non-executive directors.
- 2.2 The Board shall appoint the Committee Chairman from the members of the Committee, who must be an independent non-executive director. In the absence of the Committee Chairman or his designated nominee, other members of the Committee attending the meeting shall elect one of them to chair the meeting.
- 2.3 The composition of the Committee will be reviewed by the Board and the nomination committee of the Company annually to ensure an appropriate balance in terms of expertise, skills and experience.

### **3. Secretary**

- 3.1 The company secretary of the Company shall be the Committee Secretary. The company secretary may designate any other person as the Committee Secretary with the consent of the Committee.
- 3.2 The Committee Secretary shall attend the Committee meetings and draft the minutes and be responsible for all administrative matters of the Committee.

### **4. Frequency and proceedings of meeting**

- 4.1 The Committee shall meet as least once (1) per year. Additional meetings shall be held as the work of the Committee or circumstances requires.
- 4.2 The Committee meeting shall be convened by one (1) member of the Committee or the Committee Secretary as authorised by the Committee.
- 4.3 Unless otherwise required, the notice of the meeting confirming the venue, time and date together with an agenda to be discussed shall be given to each member of the Committee and other persons invited to attend the meeting not less than three (3) days before the meeting. Other supporting documents relating to the meeting shall be given at the same time to the members of the Committee and other persons invited to attend the meeting.
- 4.4 A quorum necessary for the transaction of any business by the Committee shall be two (2) members of the Committee. A duly convened Committee meeting at which a quorum is present shall be competent to exercise all or any of the authorities vested in the Committee.
- 4.5 Each of the members of the Committee has one (1) vote. When there is a tie, the Committee Chairman shall have one (1) more vote. Under such circumstances, the two (2) votes of Committee Chairman shall be voted to the same side.
- 4.6 Only members of the Committee are entitled to attend Committee meetings. Other directors of the Company or executives of the Group may be invited to attend all or part of any meeting, as and when appropriate and necessary.
- 4.7 Meetings may be held by telephone, electronic or other means of communication so that all attendants at the meeting can communicate with each other instantaneously.
- 4.8 Before a meeting starts, all members of the Committee shall declare their interests (including the interests of their associates) in respect of the matters to be discussed and/or the resolutions to be approved during the meeting in accordance with the articles of association of the Company and/or the Listing Rules.

- 4.9 In case a member of the Committee (or his/her associate) has a material interest in a matter to be discussed and/or a resolution to be approved during a meeting, other members of the Committee, for the purpose of avoidance of conflict of interests, shall consider and decide if the member shall abstain from voting in the resolutions and/or be absent from the meeting.

## **5. Minutes**

- 5.1 The Committee Secretary shall keep records of all conclusions and resolutions passed at all Committee meetings, including the names and signatures of the Committee members attending the meetings.
- 5.2 Full minutes of the Committee meetings shall be kept by the Committee Secretary.
- 5.3 The Committee Secretary shall send the draft of the minutes to all members of the Committee for their comments and followed by the finalised version as records within a reasonable time after the meeting. Once agreed, minutes of the Committee meetings shall be circulated to all members of the Board.
- 5.4 A resolution in writing signed by all members of the Committee would be considered as valid and effective as if a resolution had been passed at a meeting of the Committee duly convened and held. Such resolution may be signed and circulated by email or other electronic communications.
- 5.5 If any member of the Committee (or his/her associate) has a material interest in a matter to be discussed and/or approved by the Committee, the matter should be dealt with by a Committee meeting rather than a resolution in writing.

## **6. Duties**

- 6.1 The duties of the Committee shall include:
- (1) to make recommendations to the Board on the Company's remuneration policy and structure for all directors of the Company and senior management of the Group and on the establishment of a formal and transparent procedure for developing remuneration policy;
  - (2) to determine, with delegation from the Board, 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;

- (3) to make recommendations to the Board on the remuneration of non-executive directors (including independent non-executive directors);
- (4) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and the Company's objectives approved by the Board from time to time;
- (5) 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;
- (6) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms;
- (7) to ensure that no director or any of his associates is involved in deciding his own remuneration; and
- (8) to review and/or approve any remuneration matters relating to share schemes (including share option scheme and share award scheme) involving new or existing shares of the Company or its subsidiaries, and any other matters relating to share schemes under Chapter 17 of the Listing Rules.

6.2 For the purpose of these terms of reference, "senior management" shall refer to the same category of persons as referred to in the Company's annual report and is required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules.

6.3 In carrying out its duties under these terms of reference, the Committee should:

- (1) ensure the packages are sufficient to attract, retain and motivate directors and senior management to run the Company successfully without paying more than necessary;
- (2) be sensitive to the wider scene, including pay and employment conditions elsewhere, especially when determining annual salary increases;
- (3) ensure that the remuneration package of executive directors and senior management should be designed to align their interest with those of shareholders and to give them keen incentives to perform at the highest levels; and
- (4) ensure that share options and share awards (if any) are offered in accordance with the Listing Rules.

- 6.4 The Committee shall consider all aspects of remuneration, including:
- (1) salaries paid by comparable listed companies, time commitment and responsibilities and employment conditions in the Group;
  - (2) appointment and termination terms for the directors and the senior management to ensure they are fair;
  - (3) compensation arrangements relating to dismissal or removal of the directors for misconduct to ensure they are reasonable and appropriate;
  - (4) corporate culture and other non-financial key performance indicators; and
  - (5) whether the remuneration package for an independent non-executive director may affect his objectivity and independence.
- 6.5 The Committee should consult the chairman of the Board and/or the chief executive officer of the Group about their remuneration proposals for other executive directors.
- 6.6 Where the Board disagrees with the Committee's view on the remuneration or compensation arrangements of any directors or senior management, the Committee shall ensure that the Company would include a statement explaining the Committee's view(s) and the reason(s) why the Board has taken a different view in the corporate governance report under the annual report of the Company.
- 6.7 The Committee, where necessary, may seek independent professional advice to perform its responsibilities at the cost of the Company.
- 6.8 The Committee shall report back to the Board on its decisions or recommendations (unless there are legal or regulatory restrictions on its ability to do so).
- 6.9 The Committee shall prepare a summary of its work during the year for inclusion in the corporate governance report under the annual report of the Company (including a report on determining the remuneration policy for the executive directors, assessing performance of executive directors and approving terms of executive directors' service contracts, performed by the Committee).

## **7. Authority**

- 7.1 The Committee is authorised by the Board to investigate any activity within its duties and responsibilities under these terms of reference, and to collect any information (including all confidential information) it may require from any employee, director, agent or adviser and all of them are directed to co-operate with any request made by the Committee.
- 7.2 The Committee shall be provided by the Company with sufficient resources to perform its duties.
- 7.3 The Committee is authorised by the Board to invite relevant personnel within the Group to attend the Committee meetings, and to obtain any information that it requires from any other committee and/or department, if it considers necessary, in order to perform its duties.
- 7.4 The Committee may invite external advisers with relevant experience and expertise to participate and attend Committee meetings as and when necessary, and it shall review and approve the advisory fees and other terms of engagement of the external advisers.
- 7.5 The Committee has authority to meet the management which submits recommendations, and to review the remuneration related investigation report.

## **8. Reporting responsibilities**

- 8.1 The Committee Chairman shall duly report, within his responsibilities, to the Board on the discussions and conclusions of each meeting.
- 8.2 The Committee shall make recommendations to the Board on areas where improvement is required as it thinks fit.

## **9. General**

- 9.1 The Committee shall make available these terms of reference, explaining its role and the authority delegated to it by the Board, on The Stock Exchange of Hong Kong Limited's website and the Company's website.
- 9.2 The Committee Chairman (in his absence, another member of the Committee) shall make himself available to attend the annual general meetings of the Company to answer questions thereat.

## 10. Definitions

10.1 In these terms of reference, the following expressions shall have the meanings set out below unless the context requires otherwise:

<b>“Board”</b>	means the board of directors of the Company
<b>“Committee”</b>	means the remuneration committee of the Company
<b>“Committee Chairman”</b>	means the chairman of the Committee
<b>“Committee Secretary”</b>	means the secretary of the Committee
<b>“Company”</b>	means ANTA Sports Products Limited
<b>“Group”</b>	means the Company and its subsidiaries
<b>“Listing Rules”</b>	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)

## 11. Language

11.1 If there is any inconsistency between the English and the Chinese versions of these terms of reference, the English version shall prevail.