

# **WONG'S INTERNATIONAL (HOLDINGS) LIMITED**

## **TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

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### **1. Membership**

- 1.1 Members of the Remuneration Committee shall be appointed by the Board.
- 1.2 The Remuneration Committee must comprise of a minimum of two members, a majority of the members must be independent non-executive Directors.
- 1.3 Each appointment to the Remuneration Committee shall be for a period of up to 3 years.

### **2. Chairman**

- 2.1 The Board shall appoint the chairman of the Remuneration Committee. The chairman has the responsibility of liaising with the Board.
- 2.2 In the absence of the chairman of the Remuneration Committee, the remaining members present shall elect one of themselves to chair the meetings of the Remuneration Committee.

### **3. Secretary**

- 3.1 The Company Secretary or his/her delegate shall be the secretary of the Remuneration Committee and shall attend meetings of the Remuneration Committee to take minutes.

### **4. Quorum**

- 4.1 The quorum necessary for the transaction of business shall be two members:
  - 4.1.1 If only two members are in attendance, then both members shall be independent non-executive Directors.
  - 4.1.2 If more than two members are in attendance, then a majority of the members shall be independent non-executive Directors.
- 4.2 A duly convened meeting of the Remuneration 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 Remuneration Committee.

### **5. Frequency of meetings**

- 5.1 The Remuneration Committee shall meet at least once a year and at such other times as the chairman of the Remuneration Committee shall require.

### **6. Attendance at meetings**

- 6.1 Members of the Remuneration Committee may attend meetings of the Remuneration Committee either in person or through other electronic means of communication.
- 6.2 Apart from the members of the Remuneration Committee, the Chairman, the Chief Executive Officer, the Head of Human Resources and external advisers may be invited to attend for all or part of any meeting as and when appropriate.

### **7. Notices of meetings**

- 7.1 Meetings of the Remuneration Committee shall be summoned by the secretary of the Remuneration Committee at the request of any of its members.
- 7.2 Unless otherwise agreed, 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 Remuneration Committee, and to any other person required to attend:
- 7.2.1 in relation to all regular meetings of the Remuneration Committee, at least 3 days before the date of the meeting; and
- 7.2.2 in relation to all other meetings of the Remuneration Committee, within a reasonable time prior to the date of the meeting.
- 7.3 Any member of the Remuneration Committee shall be entitled, by notice to the secretary of the Remuneration Committee, to include other matters relevant to the functions of the Remuneration Committee in the agenda of a Remuneration Committee meeting.

## **8. Minutes of meetings**

- 8.1 The secretary of the Remuneration Committee (or his/her delegate) in attendance at the meetings of the Remuneration Committee shall minute in sufficient detail the proceedings and resolutions of all such meetings, including the names of those present and in attendance.
- 8.2 Draft and final versions of minutes of the Remuneration Committee meetings shall be sent to all Remuneration Committee members for their comments and records respectively, in both cases within a reasonable time after the meeting.
- 8.3 Minutes of the Remuneration Committee meetings shall be kept by the secretary of the Remuneration Committee and shall be available for inspection by any member of the Remuneration Committee or Director at any reasonable time on reasonable notice.

## **9. Annual general meeting**

- 9.1 The chairman of the Remuneration Committee shall attend the AGM of the Company and be prepared to respond to any Shareholder questions on the Remuneration Committee's activities.

## **10. Duties**

The Remuneration Committee shall be responsible for:-

- 10.1 making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management (defined as persons holding the positions of senior vice president or above in the Group) and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- 10.2 determining the specific remuneration packages of all 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, and making recommendations to the Board of the remuneration of non-executive Directors. The Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the group and desirability of performance-based remuneration;
- 10.3 reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- 10.4 reviewing and approving 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;

- 10.5 reviewing and approving 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;
- 10.6 ensuring that no Director or manager or any of his associates shall be involved in any decisions as to their own remuneration;
- 10.7 advising Shareholders on how to vote with respect to any service contracts of Directors that require Shareholders' approval under the Listing Rules.

## **11. Reporting responsibilities**

- 11.1 The chairman of the Remuneration Committee shall report formally to the Board on proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Remuneration Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 The Remuneration Committee shall compile a report to Shareholders on its role and activities to be included in the Company's Corporate Governance Report.

## **12. Others**

- 12.1 The Remuneration Committee shall have access to sufficient resources in order to discharge its duties.
- 12.2 All members of the Remuneration Committee shall have access to the advice and services of the secretary of the Remuneration Committee with a view to ensuring that procedures of the Remuneration Committee and all applicable rules and regulations are followed.
- 12.3 In the event that the Remuneration Committee or any member of the Remuneration Committee requires access to independent professional advice in connection with its/his/her duties, a request may be made to the Chairman, in the absence of the Chairman, the Company Secretary. All such requests shall be processed in accordance with the Company's pre-defined procedures for seeking independent professional advice at the Company's expense.
- 12.4 At the expense of the Company, every newly appointed member of the Remuneration Committee shall be given a comprehensive, formal and tailored induction on the first occasion of his/her appointment, and subsequently such briefing and professional development as is necessary, to ensure that he/she has a proper understanding of the operations and business of the Company and that he/she is fully aware of his/her responsibilities as a member of the Remuneration Committee.
- 12.5 Every member of the Remuneration Committee shall give sufficient time and attention to his/her duties as a member of the Remuneration Committee. He/she shall give the Company the benefit of his skills and expertise through regular attendance and active participation.
- 12.6 The Remuneration Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **13. Authority**

- 13.1 The Remuneration Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it reasonably requires from any employee and all employees are directed to co-operate with any reasonable request made by the Remuneration Committee.