

**Wai Hung Group Holdings Limited**  
**偉鴻集團控股有限公司**  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 3321)

**REMUNERATION COMMITTEE**

**TERMS OF REFERENCE**

*Constitution*

1. The board of directors (the “**Board**”) of Wai Hung Group Holdings Limited (the “**Company**”) has resolved to establish a committee of the Board to be known as the Remuneration Committee (the “**Committee**”) at a meeting held on 18 March 2019.

*Membership and quorum*

2. The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom should be independent non-executive directors of the Company (“**INEDs**”).
3. The chairman of the Committee shall be an INED, appointed by the Board. A quorum shall be two members. Members shall attend the meetings in person, or by telephone (or other similar communication equipment), as long as all attendants of the meeting are able to listen and talk among themselves during the meeting. Under such circumstances, the attendants shall be deemed as attending the meeting in person, counted in the quorum and entitled to vote.

*Secretary*

4. The company secretary of the Company, or in his/her absence, his/her representative, shall act as the secretary of the Committee (the “**Secretary**”). The Committee may from time to time appoint any other person with appropriate qualification and experience as Secretary.

*Frequency of meetings*

5. Meetings shall be held not less than once a year. The Committee members may also call any meetings at any time when necessary or desirable.

*Notice of meetings*

6. Notice of meetings shall be given to all members of the Committee at least two days before the meeting.
7. This notice may be waived from time to time upon the unanimous agreement by the Committee members.

8. 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 two days before the intended date of a meeting of the Remuneration Committee (or such other period as agreed by its members). The agenda and accompanying meeting papers may be in paper form or electronic form, and may be delivered by post, by email or any other delivery method that can be received by the members.

#### ***Casting vote***

9. Each member shall have one vote. Resolutions of the Remuneration Committee at any meetings shall be passed by a majority of votes of the members of the Remuneration Committee present. In the case of an equality of votes, the Chairman of the Committee shall have the casting vote.

#### ***Consultation***

10. The Committee should consult the chairman and/or chief executive officer of the Company about their proposals relating to the remuneration of other executive directors of the Company. In the event that the Committee considers it necessary to seek independent professional advice in relation to the affairs of the Committee, they should first seek, unless the circumstances are such that it would be inappropriate for them to seek such approval, the approval of the chairman of the Company. The Company will pay for any expenses reasonably incurred.

#### ***Authority***

11. The Committee is authorised by the Board to investigate any activity within its terms of reference and seek any necessary information which is within its scope of duties from the employees of the Company and its subsidiaries (including the members of the Board).
12. The Committee should be provided with sufficient resources to perform its duties.

#### ***Duties***

13. The duties of the Committee shall be:
  - (a) to make recommendations to the Board on the Company's policy and structure for the remuneration of all directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
  - (b) to determine, with delegated responsibility, the specific 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, or to make recommendations to the Board on the remuneration packages of individual executive directors and senior management;

- (c) to make recommendations to the board on the remuneration of non-executive directors;
- (d) to consider factors such as salaries paid by comparable companies, time commitment and responsibilities, employment conditions elsewhere in the group and desirability of performance-based remuneration;
- (e) to review and approve the management’s remuneration proposals by reference to corporate goals and objectives resolved by the Board from time to time;
- (f) to review and approve the compensation payable to executive directors and senior management of the Group 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;
- (g) to review and approve 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;
- (h) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration and that, as regards the remuneration of a non-executive director who is a member of the Committee, his/her remuneration should be determined by the other members of the Committee; and
- (i) to advise shareholders of the Company with respect to any service contracts of directors that require shareholders’ approval under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

For the purpose of this paragraph, “**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 Appendix 16 of the Listing Rules.

***Reporting procedures***

- 14. The Secretary or his/her representative shall circulate the minutes of meetings and reports of the Committee to all members of the Board.
- 15. The Secretary shall keep all approved minutes of meetings and reports as part of Company records.

Adopted on 18 March 2019

***Notes: If there are any discrepancies between the Chinese and English version, the English version shall prevail.***