



WINSHINE SCIENCE COMPANY LIMITED

瀛晟科學有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 209)

REMUNERATION COMMITTEE TERMS OF REFERENCE

These terms of reference were approved and adopted by the resolutions of the board (the “**Board**”) of directors of the Company (the “**Directors**”, each as a “**Director**”) passed on 21 September 2005 and amended by resolutions of the Board passed on 21 October 2019 and 30 December 2022.

1. Membership

- 1.1 Members of the remuneration committee (the “**Remuneration Committee**”) of the Company shall be appointed by the Board from amongst the members of the Board.
- 1.2 A majority of the members of the Remuneration Committee should be independent non-executive Directors (“**INED**”).
- 1.3 The Remuneration Committee shall consist of not less than three members.
- 1.4 The term of office of a member of the Remuneration Committee shall be determined by the Board.
- 1.5 Each member of the Remuneration Committee shall disclose to the Remuneration Committee:
 - (a) any personal financial interest (other than as a shareholder of the Company (the “**Shareholders**”)) in any matter to be decided by the Remuneration Committee; and
 - (b) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Remuneration Committee in relation to which such interests exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Remuneration Committee.

1.6 Appointment of members of the Remuneration Committee may be revoked by the Board and should be automatically terminated if they cease to hold the office of the Director for any cause.

2. **Chairman**

2.1 The chairman of the Remuneration Committee (the “**Chairman**”) shall be appointed by the Board and should be an INED. In the absence of the Chairman from any meeting, the remaining members of the Remuneration Committee present shall elect one of their members to be the Chairman, who shall also be an INED.

3. **Secretary**

3.1 The company secretary of the Company shall be the secretary of the Remuneration Committee (the “**Secretary**”).

3.2 The Remuneration Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary.

4. **Quorum**

4.1 The quorum for meetings of the Remuneration Committee shall be any two members of the Remuneration Committee and a majority of which shall be the INEDs.

4.2 A duly convened meeting of the Remuneration Committee at which a quorum is present at the time when the meeting proceeds to business and continues to be present until the conclusion of the meeting 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 (the “**Regular Meeting**”) and at such other times as the Chairman or any other members 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 Members of the Remuneration Committee may invite such person as they think fit, including but not limited to external advisors or consultants, to attend and speak (but not to vote) at a meeting of the Remuneration Committee.

7. Notice of meetings

- 7.1 A meeting of the Remuneration Committee may be convened by any of its members, or by the Secretary at the request of any of its members.
- 7.2 Reasonable notice shall be given, as far as practicable, in writing or by telephone or in such other manner as the Remuneration Committee may from time to time determine. Any member of the Remuneration Committee may waive notice of any meeting either prospectively or retrospectively.
- 7.3 In respect of a Regular Meeting and so far as practicable in all other cases, an agenda and accompanying supporting papers shall be sent to all members of the Remuneration Committee and to other attendees as appropriate at least three days before the date of the meeting (or such other period as all the members of the Remuneration Committee may agree).
- 7.4 Any member of the Remuneration Committee shall be entitled, by notice to the Secretary, to include other matters relevant to the functions of the Remuneration Committee in the agenda of a Remuneration Committee meeting.
- 7.5 A resolution in writing signed by all the members of the Remuneration Committee shall be as valid and effectual as if a resolution had been passed at a meeting of the Remuneration Committee duly convened and held.

8. Minutes of meetings

- 8.1 The Secretary (or his/her delegate) in attendance at the meetings of the Remuneration Committee shall record in sufficient detail the matters considered and decisions reached at such meetings. The minutes shall also include any concerns raised by any member of the Remuneration Committee and/or dissenting views expressed.
- 8.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Remuneration Committee shall not be counted towards the quorum and he/she shall abstain from voting on any resolution of the Remuneration Committee in which he/she or any of his/her associates has a material interest, unless the exceptions set out in Note 1 to Appendix 3 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) apply.
- 8.3 Draft and final versions of minutes of Remuneration Committee meetings shall be sent to all members of the Remuneration Committee for their comment and records respectively, in both cases within a reasonable time after the meeting is held. Once the minutes are signed, the Secretary shall circulate the minutes and reports of the Remuneration Committee to all members of the Board.

8.4 Minutes of the Remuneration Committee shall be kept by the Secretary and shall be available for inspection by any Directors at any reasonable time on reasonable notice.

9. Annual general meeting

9.1 The Chairman or in his/her absence, another member of the Remuneration Committee or failing this, his/her duly appointed delegate, shall attend the annual general meeting (the “AGM”) of the Company and be prepared to respond to questions at the AGM on the Remuneration Committee’s activities and its responsibilities.

10. Other regulations governing the meetings and proceedings of the Remuneration Committee

10.1 Unless otherwise specified above, the provisions contained in the Company’s Bye-laws for regulating meetings and proceedings of directors shall apply to the meetings and proceedings of the Remuneration Committee.

11. Duties

The duties of the Remuneration Committee are as follows:

- (a) to make recommendations to the Board on the Company’s policy and structure for all remuneration of Directors and senior management¹ and on the establishment of a formal and transparent procedure for developing such policy;
- (b) to review and approve the management’s remuneration proposals with reference to corporate goals and objectives resolved by the Board from time to time;
- (c) to have delegated responsibility to determine the remuneration packages of all executive Directors and senior management¹, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and to make recommendations to the Board on the remuneration of non-executive Directors. The Remuneration Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Company and its subsidiaries and desirability of performance-based remuneration;
- (d) to review and approve the compensation payable to executive Directors and senior management¹ 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;

- (e) 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;
- (f) to ensure that no Director or any of his/her associates (“**Associates**”) as such term is defined in the Listing Rules is involved in deciding his/her own remuneration;
- (g) to advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders’ approval under Rule 13.68 of the Listing Rules;
- (h) to conform to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the Company’s constitution or imposed by legislation; and
- (i) to review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

12. Reporting Responsibilities

- 12.1 The Remuneration Committee shall compile a report to Shareholders on its role and work performed by it during the year, including determining the policy for the remuneration of executive Directors, assessing performance of executive Directors and approving executive Directors’ service contracts for inclusion in the Company’s Corporate Governance Report.
- 12.2 The Remuneration Committee shall report back to the Board on their decisions or recommendations after each meeting, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

13. Others

- 13.1 The Remuneration Committee shall consult the chairman of the Board and/or Chief Executive Officer of the Company about their proposals relating to the remuneration of other executive Directors and shall have access to independent professional advice if considered necessary.
- 13.2 The Remuneration Committee shall be provided with sufficient resources to discharge its duties.
- 13.3 All members of the Remuneration Committee shall have access to the advice and services of the Secretary with a view to ensuring that procedures of the Remuneration Committee and all applicable rules and regulations are followed.

13.4 In the event that the Remuneration Committee or any member of the Remuneration Committee requires access to outside independent professional advice in connection with its/his/her duties, a request may be made to the Board through the 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.

13.5 Every member of the Remuneration Committee shall ensure that he/she can 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/her skills and expertise through regular attendance and active participation.

13.6 The Remuneration Committee and each of its members shall have separate and independent access to the Company's senior management¹.

14. Publication of the terms of reference of the Remuneration Committee

14.1 These terms of reference of the Remuneration Committee shall be posted on the website of the Company and on the website of the Stock Exchange of Hong Kong Limited, and shall be made available on request.

15. Review of the terms of reference of the Remuneration Committee

15.1 The Board may, subject to compliance with the Bye-laws of the Company and the Listing Rules (including the Corporate Governance Code set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Remuneration Committee provided that no amendments or supplements to and revocation of these terms of reference and the resolutions passed by the Remuneration Committee shall invalidate any prior act and resolution of the Remuneration Committee which would have been valid if such terms of reference or resolution had not been amended, supplemented or revoked.

15.2 The Remuneration Committee shall review these terms of reference annually and may consider and submit to the Board any proposed changes that the Remuneration Committee deems appropriate or advisable.

Notes:

1. "**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.

Note: In case of discrepancies or inconsistencies between the English version and the Chinese version of this terms of reference, the English version shall prevail.

* *For identification purposes only*