



## WINSON HOLDINGS HONG KONG LIMITED

永順控股香港有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 6812)

(the “Company”, together with its subsidiaries, the “Group”)

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### Terms of reference of the Remuneration Committee (“RC”) of the Board of Directors (“Board”) of the Company

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First adoption date: 21 February 2017

Last amendment effective date: 19 June 2023

Validity: Continuous (until further notice)

#### 1. **Constitution**

- 1.1 The RC is established pursuant to a resolution passed by the Board at its meeting held on 21 February 2017.

#### 2. **Membership**

- 2.1 The RC shall comprise not less than three members to be appointed by the Board, the majority of whom should be independent non-executive directors (“INEDs”).
- 2.2 The Board shall appoint the chairman of the RC who should be one of the INEDs sitting on the RC. In the absence of the chairman of the RC or an appointed deputy, the remaining members present shall elect one of them to chair the meeting. For the avoidance of doubt, the chairman of the Board shall not chair the meeting of the RC when it is dealing with the succession of chairmanship.
- 2.3 Only members of the RC have the right to attend the RC meetings. However, any director, executive or other person may be invited to attend the meetings when the RC considers that their attendance can assist it to discharge its duties.

- 2.4 A member of the RC who ceases to be a member of the Board shall immediately and automatically cease to be a member of the RC.
- 2.5 The Board may, from time to time, at their discretion, amend the terms of reference or adopt new terms of reference or change the composition of the members of the RC.

**3. Frequency and proceedings of meetings**

- 3.1 The RC shall meet as and when necessary or as requested by any RC member. The RC shall meet at least once a year.
- 3.2 The quorum for meetings of the RC shall be two members. A duly convened meeting of the RC at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in the RC.
- 3.3 RC members may pass resolutions by way of written resolutions, but such must be passed by all RC members in writing.
- 3.4 The meetings and proceedings of the RC are governed by the provisions of the Articles of Association of the Company for regulating the meetings and proceedings of the Board so far as the same are applicable.

**4. Secretary**

- 4.1 Save as otherwise appointed by the RC, the company secretary of the Company or his/her nominee shall act as the secretary of the RC.

**5. Notice of Meetings**

- 5.1 Meetings of the RC shall be convened by the chairman of the RC.
- 5.2 Unless otherwise agreed, notice of each meeting setting out the venue, time and date together with the agenda of items to be discussed, shall be forwarded to each of the members of the RC and any other person required to attend at least three working days before the intended meeting date.
- 5.3 Any RC member may or, on the request of a RC member, the secretary to the RC shall, at any time summon a RC meeting. Notice shall be given to each RC member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the secretary by such RC member or in such other manner as the RC members may from time to time determine.

5.4 Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.

**6. Minutes of the Meetings**

6.1 Minutes of the RC meetings shall record in sufficient detail the matters considered in the meetings and decisions reached, including any concerns raised and dissenting views expressed. Draft and final versions of minutes of the meetings should be sent to all RC members for their comments and records within a reasonable time after the meeting and unless there is a conflict of interest, to all other members of the Board.

6.2 The secretary of the RC shall keep the minutes and resolutions passed at the RC meetings and such minutes and resolutions shall be open for inspection at any reasonable time on prior reasonable notice by any director save when there is a conflict of interest.

**7. Annual General Meeting**

7.1 The chairman of the RC shall attend (or in his/her absence, appoint another member of the committee or failing this his/her duly appointed delegate, to attend) the Annual General Meeting of the Company and be prepared to respond to shareholders' questions on the activities and responsibilities of the RC.

**8. Duties**

8.1 The RC shall:

8.1.1 make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

8.1.2 review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

8.1.3 either (i) determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or (ii) make recommendations to the Board on the remuneration packages of individual executive directors and senior management;

(Note: This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.)

- 8.1.4 make recommendations to the Board on the remuneration of non-executive directors;
  - 8.1.5 consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
  - 8.1.6 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 and is otherwise fair and not excessive;
  - 8.1.7 review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with relevant contractual terms and are otherwise reasonable and appropriate;
  - 8.1.8 ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;
  - 8.1.9 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 (the “**Stock Exchange**”); and
  - 8.1.10 make available its terms of reference explaining its role and the authority delegated to it by the Board by including them on the respective websites of the Stock Exchange and the Company.
- 8.2 The RC should consult the chairman and/or chief executive officer about their remuneration proposals for other executive directors. The RC should have access to independent professional advice if necessary.
- 8.3 The Company should disclose details of any remuneration payable to members of senior management by band in its annual reports.

## **9. Reporting Responsibilities**

- 9.1 The RC shall report formally to the Board on its decisions or recommendations after each meeting on all matters within its duties and responsibilities, unless there are legal or other regulatory restrictions on the RC’s ability to do so.
- 9.2 The RC shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## **10. Authority**

- 10.1 The RC is authorized to investigate any activity within its terms of reference and to seek any information it reasonably requires from any employee of the Company in order to perform its duties.

10.2 The RC may obtain, at the expense of the Company, legal or other professional advice on any matters within its terms of reference.

10.3 The RC should be provided with sufficient resources to perform its duties.

*Note: If there is any inconsistency between the English and Chinese versions of this Terms of Reference, the English version shall prevail.*