

# Wing Lee Development Construction Holdings Limited

## 榮利營造控股有限公司

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

**(Stock code: 9639)**

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

**(adopted on 20 September 2024)**

The remuneration committee (the “**Committee**”) of Wing Lee Development Construction Holdings Limited 榮利營造控股有限公司 (the “**Company**”) was established pursuant to a resolution passed by the board of directors of the Company (the “**Board**”) on 20 September, 2024.

Set out below are the terms of reference (the “**Terms of Reference**”) of the Committee. Future amendments to this Terms of Reference shall be subject to the Board’s approval.

The Terms of Reference are available for viewing in English and Chinese. If there is any inconsistency between the English and the Chinese versions of the Terms of Reference, the English version shall prevail over the Chinese version.

The constitution of the Remuneration Committee shall comply with the requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) from time to time.

#### **1. PURPOSE**

The purpose of the Committee is to make recommendations to the Board in determining the policy and structure for the remuneration of directors and senior management including remuneration packages, bonuses and other compensation, to establish a formal and transparent procedure for developing policy to review the terms of incentive schemes (including share schemes under Chapter 17 of the Listing Rules (as amended from time to time)) and directors’ service contracts, and to recommend the remuneration packages for all directors and senior management.

#### **2. COMPOSITION**

2.1 The Committee shall consist of a majority of independent non-executive directors of the Company who shall meet the independence requirements from time to time as stipulated in the Listing Rules. Members of the Committee shall be appointed by the Board.

- 2.2 The Board shall appoint one member of the Committee as the chairperson (the “**Chairperson**”), who must be an independent non-executive director of the Company.
- 2.3 The composition of the Committee shall comply with laws and regulations applicable to the Company, including any applicable requirements as set out in the Listing Rules from time to time.
- 2.4 The membership of the Committee shall be set out in the annual report. Each member of the Committee shall disclose to the Committee:
  - (a) if any of his/her personal economic benefit is involved in any matter to be decided by the Committee (other than his/her benefit as shareholders); or
  - (b) if any conflict of interests arises from any double directorship.

Where any resolution to be considered by the Committee involves the above interests, such member shall abstain from voting, shall not participate in any discussion on such resolution, and shall (at the request of the Board) withdraw from the Committee.

### **3. MEETINGS**

- 3.1 Unless otherwise specified hereunder, the provisions contained in the Company’s articles of association (as amended from time to time) (the “**Articles**”) for regulating meetings and proceedings of directors shall apply to the meetings and proceedings of the Committee.
- 3.2 Members of the Committee may attend meetings of the Committee either in person or through other electronic means of communication or in such other manner as the members may agree.
- 3.3 The Committee shall meet at least once annually, or more frequently if circumstances require.
- 3.4 Members of the Committee may be represented at a meeting of the Committee by an alternate appointed by him or her.
- 3.5 The Chairperson (or in his or her absence, a member designated by the Chairperson) shall preside at all meetings of the Committee. The Chairperson shall be responsible for leading the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.

- 3.6 A meeting of the Committee may be convened by any of its members.
- 3.7 A quorum of a meeting of the Committee shall be two members of the Committee.
- 3.8 Unless otherwise agreed by all the members of the Committee, notice of at least seven days shall be given for a regular meeting of the Committee. For all other meetings of the Committee, reasonable notice shall be given. The Chairperson shall determine whether or not a meeting of the Committee is a regular meeting.
- 3.9 The agenda and accompanying supporting papers shall be sent to all members of the Committee and to other attendees as appropriate at least three days before the date of the meeting (or such other period as the members may agree).
- 3.10 Each member shall have one voting right. Subject to the Articles, questions arising at any meeting of the Committee shall be decided by a majority of votes, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 3.11 The members of the Committee shall appoint a secretary of the Committee (the “**Secretary**”) to take minutes. In the absence of the Secretary, his/her delegate(s) or any person elected by the members present at the meeting of the Committee, shall attend the meeting of the Committee and take minutes. Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by all the attending members of the Committee.
- 3.12 Full minutes of meeting of the Committee shall be kept by the Secretary or the Company Secretary(ies) of the Company. They shall be open for inspection at any reasonable time on reasonable notice by any director.
- 3.13 Minutes of meetings of the Committee (both draft and final versions) and the record of individual attendance at such meetings shall be prepared by the Secretary which shall be sent to all members of the Board within a reasonable time after the conclusion of any meeting of the Committee for their comment and records. For the purposes of recording attendance only, the attendance of an alternate of members of the Committee will not be counted as attendance by the relevant member of the Committee himself or herself. The minutes of meetings shall record in sufficient details of the matters considered and decisions reached, including any concerns raised by directors or dissenting views expressed.
- 3.14 Without prejudice to any requirement under the Listing Rules, a resolution in writing signed by all of the members of the Committee (or their respective alternate) shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

## **4. ACCESS**

- 4.1 The Committee shall have full access to management and may invite members of management or others to attend its meetings.
- 4.2 The Company should provide the Committee with sufficient resources to discharge its duties including but not limited to obtaining independent professional advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company if necessary.

## **5. REPORTING PROCEDURES**

- 5.1 The Committee shall evaluate and assess its effectiveness and the adequacy of these Terms of Reference on an annual basis (or from time to time) and recommend any proposed changes to the Board. The Committee shall make available these Terms of Reference, explain its role and the authority delegated to the Committee by the Board on the website of the Stock Exchange and the website of the Company.
- 5.2 The Committee shall consult the chairman of the Board and/or chief executive officer of the Company about the remuneration proposals of executive directors. The Committee should have access to independent professional advice if considered necessary.
- 5.3 The Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

## **6. AUTHORITY**

- 6.1 The authorities and responsibilities of the Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Listing Rules (as amended from time to time).
- 6.2 The Committee is authorized by the Board to make recommendations to the Board the remuneration payable to executive directors and members of senior management, the emolument policies and the basis for determining such emoluments.

## 7. RESPONSIBILITIES AND DUTIES

Without prejudice to any requirements as set out in the CG Code and the Listing Rules from time to time, the Committee shall perform the following duties:

- (a) to make recommendations to the Board on the Company's policy and structure for the remuneration of all the directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and if appropriate, approve the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time;
- (c) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management, including salaries, benefits in kind, pension rights, equity incentives and compensation payments (including any compensation payable for loss or termination of their office or appointment), and to seek approval from the Board thereon;
- (d) to make recommendations to the Board on the remuneration of non-executive directors of the Company and seek approval from the Board thereon;
- (e) to consider factors such as the level of remuneration paid by comparable companies, the time commitment and responsibilities of directors and senior management, and the employment conditions of the Company and its subsidiaries;
- (f) to consider the level of remuneration required to attract and retain directors to manage the Company successfully;
- (g) to ensure that no director or any of his/her associates is involved in deciding his or her own remuneration. For the avoidance of doubt, members of the Committee must not be involved in deciding his or her own remuneration;
- (h) to review and approve compensation payable to executive directors and senior management and the terms 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;
- (i) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

- (j) to advise shareholders of the Company on how to vote in respect of any service contracts of directors that require shareholders' approval in accordance with the Listing Rules, and as to whether the terms are fair and reasonable, and whether such contracts are in the interests of the Company and its shareholders as a whole; and
- (k) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules, including any grants of options or awards to directors or senior management, and to make disclosure and give explanation in the corporate governance report on the appropriateness to approve such material matters (if any).

## **8. ANNUAL GENERAL MEETING**

The Chairperson or in his/her absence, another member of the Committee or failing this, his or 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 Committee's work and responsibilities.