

# Wing Fung Group Asia Limited

## 榮豐集團亞洲有限公司

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

**(Stock code: 8526)**

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

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

These terms of reference of the Remuneration Committee of the Company (the “**Committee**”) have been prepared based on the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Exchange**”) (the “**GEM Listing Rules**”).

#### **Composition**

1. The Committee shall be established by the board of directors (the “**Board**”) of the Company (the “**Directors**”) according to the articles of association of the Company (the “**Articles of Association**”) and the establishment would be effective from the date on which the shares of the Company are listed on GEM.

#### **Members**

2. The Committee shall consist of not less than three members appointed by the Board, the majority of whom shall be independent non-executive Directors (the “**INEDs**”).
3. The Board shall nominate one of the members of the Committee who is an independent non-executive Director as the chairman of the Committee (the “**Chairman**”).
4. An appointment of a member of the Committee shall be automatically revoked if such member ceases to be a member of the Board.

#### **Secretary**

5. The Committee may appoint the company secretary of the Company or any other person with appropriate qualification and experience as the secretary of the Committee.

#### **Frequency and proceedings of meetings**

6. The Committee shall meet at least once a year. Additional meetings should be held as and when the work of the Committee demands.
7. The quorum of a meeting shall be two members of the Committee, one of whom must be an INED.
8. A member of the Committee must abstain from voting and must not be counted in the quorum of a meeting in respect of the resolution regarding the remuneration payable to himself or herself.

9. The Committee members could attend the meetings in person, by telephone or by video conference or similar communication equipment by means of which all persons participating in the meetings are capable of hearing each other.
10. Resolutions of the Committee shall be passed by more than half of the members of the Committee.
11. A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been duly passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the Committee members.
12. Unless otherwise stated herein, proceedings of meeting of the Committee shall be governed by the relevant provisions of the Articles of Association regulating the meetings and proceedings of Directors (as amended from time to time).
13. The Committee should consult the chairman of the Board and/or chief executive of the Company about their remuneration proposals for other executive Directors.

#### **Authority**

14. All members of the Committee shall have access to the advice and services of the secretary who is responsible to the Committee for ensuring that procedures of the Committee and all applicable rules and regulations are followed.
15. The Committee shall be provided with sufficient resources to perform its duties and may seek independent professional advice upon reasonable request at the Company's expenses to perform its duties.
16. 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) and all employees are directed to co-operate with any request made by the Committee.

#### **Duties**

17. Main duties of the Committee should include:
  - (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 a remuneration policy;
  - (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
  - (c) to determine, with delegated responsibility, on the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- (d) to make recommendations to the Board on the remuneration of non-executive Directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (f) to review and approve the compensation payable to executive Directors and senior management for any loss or termination of their office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are consistent with contractual terms and are otherwise reasonable and appropriate;
- (h) to ensure that no Directors or any of his or her associates is involved in deciding his or her own remuneration;
- (i) to review and/or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules; and
- (j) to form a view and to advise shareholders of the Company (other than shareholders who are Directors with a material interest in the service contracts and their associates) with respect to any service contracts of Directors that require shareholders' approval under the GEM Listing Rules 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 advise shareholders on how to vote. An INED who has a material interest in any such contracts shall not sit on the independent board committee.

### **Reporting procedures**

- 18. The Committee should report to the Board on a regular basis, identify any matters in respect of which it considers that action or improvement is needed, and make recommendations as to the steps to be taken.
- 19. At the next meeting of the Board following a meeting of the Committee, the Chairman shall report to the Board on the works and recommendations of the Committee since the last Board meeting (if any).

### **Others**

- 20. The Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Exchange's website and the Company's website.
- 21. Any changes to the terms of reference shall be effective after they have been approved by the Board.

– End –

Adopted on: 31 January 2018

Revised on: 27 March 2023