

# **Wah Nam International Holdings Limited**

(the “Company”)

## **Terms of Reference**

### **1. Constitution**

The remuneration committee (“Committee”) is a committee of the board of directors (“Board”).

### **2. Membership**

A majority of the Committee members should be independent non-executive directors. The Committee members shall be appointed by the Board from amongst the Company’s directors.

The chairman of the Committee shall be appointed by the Board.

### **3. Secretary of Committee**

The company secretary shall be the secretary of the Committee.

### **4. Attendance at meetings**

A quorum shall be 3 members.

Other board members, apart from the Committee members, have the right to attend any Committee meetings, though they shall not be counted in the quorum.

### **5. Frequency of meetings**

The Committee shall meet at least once every year; and the Committee members may call any meetings at any time when necessary.

### **6. Authority**

The Committee is authorised by the Board to seek any necessary information which is within the Committee’s scope of duties from the employees.

The Committee is authorised by the Board to obtain outside independent professional advice, and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

### **7. Duties**

The duties of the Committee shall be:

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

- To have the delegated responsibility to determine the specific remuneration packages of all 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, and make recommendations to the Board of the remuneration of non-executive directors. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group and desirability of performance-based remuneration. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance;
- To review and approve performance-base remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- To review and approve the compensation payable to executive directors and senior management 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;
- 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;
- To ensure that no director or any of his associate is involved in deciding his own remuneration;
- 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".

## **8. Reporting procedures**

The secretary shall circulate the minutes of meetings and reports of the Committee to all members of the Board.