



# **Ngai Hing Hong Company Limited**

*(incorporated in Bermuda with limited liability)*

## **REMUNERATION COMMITTEE TERMS OF REFERENCE**

Latest Version: Updated on 28 September 2023

*This Terms of Reference has been issued in the English language with a separate Chinese language translation. If there is any conflict in the Terms of Reference between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.*

# **Ngai Hing Hong Company Limited**

## **REMUNERATION COMMITTEE**

### **TERMS OF REFERENCE**

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# **Ngai Hing Hong Company Limited**

## **(the “Company”)**

### Remuneration Committee

#### Terms of Reference

## ***1. CONSTITUTION***

- 1.1 The remuneration committee of the Company (the “Remuneration Committee”) was formed pursuant to the board resolution of the Company passed on 13 July 2005.
- 1.2 This latest version was adopted by the board of directors of the Company (the “Director(s)”) (the “Board”) on 28 September 2023.
- 1.3 The revised version shall supercede any terms of reference previously adopted by the Board.

## ***2. MEMBERSHIP***

- 2.1 The members of the Remuneration Committee (the “Member(s)”) shall be appointed by the Board and, on the recommendation of the nomination committee of the Company in consultation with the chairman of the Remuneration Committee (the “Chairman”) from amongst the Directors.
- 2.2 The majority of the Members shall be independent non-executive Directors and the Chairman must be an independent non-executive Director.

## ***3. MEETINGS***

- 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.

- 3.3 A quorum of the Remuneration Committee shall be any two Members (excluding the Secretary) and at least one of whom shall be independent non-executive Director. The quorum shall be present at the commencement of and throughout (except during breaks) the meeting.
- 3.4 Notice of any meetings has to be given at least 7 days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, a Member attending the meeting shall be deemed waiver of the requisite length of notice of the meeting by the Member. Notice of any adjourned meetings is not required if adjournment is for less than 7 days.
- 3.5 Meetings may be held in person, by telephone or video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 3.6 Each Member present in a meeting shall have one vote. Resolutions of the Remuneration Committee at any meetings shall be passed by a majority of votes of the Members present. If the votes for and against a resolution are equal, the Chairman shall have a casting vote.
- 3.7 A resolution in writing signed by all Members shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.
- 3.8 Minutes of meetings of the Remuneration Committee shall record in sufficient detail the matters considered by the Remuneration Committee and decisions reached, including any concerns raised by Directors or dissenting views expressed.
- 3.9 Full minutes of Remuneration Committee meetings should be kept by the Secretary. Draft and final versions of minutes of the Remuneration Committee meetings shall be sent to all Members for their comment and records respectively, in both cases within a reasonable time after the meetings. Such minutes of meeting shall be opened for the Board's inspection at any reasonable time on reasonable notice.

#### **4. ATTENDANCE AT MEETINGS**

- 4.1 At the invitation of the Remuneration Committee, the chairman of the Board and/or managing Director, external advisers and other persons may attend the meetings.
- 4.2 Only Members are entitled to vote at the meetings.

#### **5. FREQUENCY OF MEETINGS**

- 5.1 The Chairman in consultation with the Secretary, shall decide the frequency and timing of its meetings. There shall be as many meetings as the Remuneration Committee's duties and responsibilities require.
- 5.2 The Remuneration Committee shall meet no less than one meeting a year.

#### **6. BYE-LAWS OF THE COMPANY**

- 6.1 This terms of reference shall not prevail the bye-laws of the Company (the "Bye-Laws"), in particular for the provisions where a Director is not allowed to vote in the case of conflicts of interest.
- 6.2 The provisions relating to the proceedings of the meetings of the Directors stipulated in the Bye-Laws not mentioned above shall be applicable to the proceedings of the meetings of the Remuneration Committee.
- 6.3 The Bye-Laws regulating the meetings and proceedings of the Directors, so far as the same are applicable and not inconsistent with the provisions of this regulations, shall apply to regulate the meetings and proceedings of the Remuneration Committee.

#### **7. AUTHORITY**

- 7.1 The authorities and responsibilities of the Remuneration 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 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (as amended from time to time) (the "Listing Rules").

- 7.2 The Remuneration Committee shall consult the chairman of the Board and/or managing Director in respect of their proposals relating to the remuneration of other executive Directors and senior management.
- 7.3 The Remuneration Committee shall have the right to require the Company's management to furnish any remuneration related information it requires for the purposes of performing its duties.
- 7.4 A Member may, through the company secretary of the Company, seek professional advice in appropriate circumstances at the Company's expense to perform his/her duties as a Member to the Company within its terms of reference.
- 7.5 The Remuneration Committee shall be provided with sufficient resources to perform its duties.

## **8. *DUTIES & RESPONSIBILITIES***

The Remuneration Committee shall have the following duties and responsibilities: -

- 8.1 to 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;
- 8.2 In regard to 8.1 above and 8.7 below, it is the responsibility of the Board to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries; head of divisions, departments or other operating units within the Company and its subsidiaries (collectively, the "Group") as, in the opinion of the Board, is appropriate.
- 8.3 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 8.4 to make recommendations to the board on the remuneration packages of individual 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;
- 8.5 to make recommendations to the Board on the remuneration of non-executive Directors;

- 8.6 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- 8.7 to 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 for the Company;
- 8.8 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;
- 8.9 to ensure that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration;
- 8.10 in respect of any service agreement to be entered into between any members of the Group and its director or proposed director, to review and provide recommendation to the shareholders of the Company (other than shareholder(s) who is/are director(s) with a material interest in the relevant service agreements and their respective associates) as to whether the terms of the service agreements are fair and reasonable and whether such service agreements are in the interests of the Company and the shareholders as a whole, and to advise shareholders on how to vote; and
- 8.11 to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

## ***9. REPORTING PROCEDURES***

- 9.1 The Secretary shall circulate the minutes of meetings and reports of the Remuneration Committee to the Board.
- 9.2 The Remuneration Committee shall report to the Board after each meeting.

## ***10. PUBLICATION OF THE TERMS OF REFERENCE***

10.1 The terms of reference shall be posted on the websites of the Stock Exchange and the Company. It is also available at the Company's principal place of business in Hong Kong for inspection by the shareholders during normal business hours. A copy of the terms of reference will be made available to any person without charge upon request.