



MANWAH

MAN WAH HOLDINGS LIMITED

敏華控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 01999)

REMUNERATION COMMITTEE

Terms of Reference

(Revised and adopted on 17 May 2023)

The board of directors (the “**Board**”) of Man Wah Holdings Limited (the “**Company**”) has resolved to establish a committee to be known as the Remuneration Committee (the “**Committee**”) on 5 March 2010 with the terms of reference set out below.

1. Membership

- 1.1 The Committee shall be appointed by the Board which shall consist of not less than 3 members and the majority of whom should be independent non-executive directors¹.
- 1.2 Appointments to the Committee shall be for a period of up to three years, which may be extended by the Board for further three year periods.
- 1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals of the Company such as the chairman of the Board, the Company’s chief executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.4 Formal meetings of the Committee may be held by telephone or other communication equipment which allows those participating to hear and speak to each other, and the quorum in that event shall be any two Committee members so linked.
- 1.5 The Board shall appoint the chairman of the Committee (the “**Committee Chairman**”) who shall be an independent non-executive director and determine the period for which he will hold that office. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting.

¹ Guidelines on independence of directors are set out in Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)

2. The Secretary

The company secretary of the Company, or his/her nominee, shall act as the secretary of the Committee (the “**Secretary**”).

3. Proceedings

Unless varied by these terms of reference, meetings and proceedings of the Committee shall be governed by the Company’s articles of association regulating the meetings and proceedings of the directors of the Company.

4. Quorum

The quorum for decisions of the Committee shall be any two independent non-executive directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Frequency of Meetings

Meetings of the Committee shall be held as and when appropriate, but at least once a year, held to coincide with key dates within the financial reporting and audit cycle. The Committee Chairman or any other member may convene a meeting of the Committee whenever he or she considers it necessary or desirable.

6. Notices of Meetings

6.1 Meetings of the Committee shall be summoned by the Secretary at the request of any of its members.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, with reasonable notice, before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

7. Minutes of Meetings

7.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

7.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

7.3 Full minutes of meetings should be kept by the Secretary. Draft and final versions of minutes of the meetings should be sent to all members of the Committee for their comment and to all members of the Board for records respectively, in both cases within a reasonable time after the meeting.

8. Annual General Meeting

The Committee Chairman or in his/her absence, another member of the Committee or failing that his/her duly appointed delegate shall attend the annual general meeting of the Company so as to be available to answer questions from shareholders on matters within the scope of duties of the Committee.

9. Duties

The duties of the Committee shall be to:

- 9.1 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;
- 9.2 to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
- 9.3 to determine, with delegated responsibility, the specific 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;
- 9.4 to make recommendations to the Board on the remuneration of non-executive directors;
- 9.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 9.6 in determining such packages and arrangements, give due regard to any relevant legal requirements, and the provisions, guidelines and recommendations of related regulatory bodies;
- 9.7 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;
- 9.8 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;

- 9.9 review annually the appropriateness and relevance of the remuneration policy;
- 9.10 to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;
- 9.11 consult with the chairman of the Board and/or the Company's chief executive about the Committee's proposals relating to remuneration of other executive directors;
- 9.12 form a view in respect of service contracts that require shareholders' approval and advise shareholders (other than shareholders who are directors with material interest in the service contracts and their associates) as to whether the terms are fair and reasonable, advise whether such contracts are in the interests of the Company and its shareholders as a whole and advise shareholders on how to vote. An independent non-executive director who has material interest in any such contracts shall not attend the Committee meeting at which such service contract is considered;
- 9.13 be aware of and advise on any major changes in employee benefit structures throughout the Company;
- 9.14 ensure that all provisions regarding the disclosure of remuneration including pensions, as set out in the relevant provisions of the Listing Rules, are fulfilled;
- 9.15 be responsible for establishing the selection criteria, selecting, appointing and setting the terms of references for any remuneration consultants who advise the Committee and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have the full authority to commission any reports or surveys which it deems necessary to help it fulfill its obligations; and
- 9.16 review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

10. Reporting Responsibilities

- 10.1 The Committee Chairman shall report formally to the Board on its proceedings, decisions and recommendations after each meeting on all matters within its duties and responsibilities unless there are legal or regulatory restrictions on the Committee's ability to do so.
- 10.2 The Committee shall make whatever recommendations to the Board that it deems appropriate on any area within its scope of duties where action or improvement is needed.

10.3 The Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's annual report and ensure each year that it is put to shareholders for approval at the annual general meeting of the Company.

11. Authority

The Board authorizes the Committee to:

11.1 investigate any matter within its terms of reference and seek any information it requires from any employee in order to perform its duties (all employees being directed to co-operate with any such request by the Committee); and

11.2 to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

12. Other

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.