

## **Wang On Group Limited (the “Company”)**

### **Terms of Reference of Remuneration Committee**

1. **Constitution**

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

2. **Membership**

The Committee members shall be appointed by the Board from amongst the Company’s directors, a majority of whom should be Independent Non-executive Directors (“INEDs”).

The Board may at any time remove, suspend or replace any member of the Committee at its option by resolution where upon the Committee should consist of the remaining and replaced members of the Committee.

The chairman of the Committee shall be an INED and shall be elected 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, two of whom must be INEDs.

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. **Committee’s Resolutions**

A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the members of the Committee.

7. **Authority**

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

The Committee is authorized 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.

8. **Duties**

The duties of the Committee shall be:

- (a) 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;
- (b) 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;
- (c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (d) 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;
- (e) 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;

- (f) to ensure that no director or any of his associate is involved in deciding his own remuneration;
- (g) 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".
- (h) to consult the Chairman and/or Managing Director about their proposals relating to the remuneration of other executive directors and if necessary, engage such external professional advisors to assist and/or advise the Committee but only in accordance with the Company's policy for directors to seek independent professional advice;

*Note: "Senior management" refers to the same category of persons as referred to in the Company's annual report. It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the directors, is appropriate.*

9.

**Reporting Procedure**

At the next meeting of the Board following a meeting/written resolution of the Committee, copy of the minutes of the meeting/resolution setting out the findings, recommendations and decisions of the Committee shall be submitted to the Board.