

**VALUE CONVERGENCE HOLDINGS LIMITED**  
**Terms of Reference of the Remuneration Committee**

**1. Constitution**

The Directors of the Company have established a Committee of the Board known as the Remuneration Committee pursuant to Article 140 of the Articles of Association of the Company.

**2. Membership**

2.1 The Remuneration Committee shall consist of a minimum of three Directors, a majority of whom shall be Independent Non-Executive Directors.

2.2 Members of the Remuneration Committee may only be appointed or removed by the Board.

2.3 The Chairman of the Remuneration Committee shall be appointed and removed by a decision of the Board.

**3. Quorum**

Unless otherwise agreed by all the members of the Remuneration Committee, two members of the Remuneration Committee shall be a quorum.

**4. Frequency**

The Remuneration Committee shall meet not less than once a year.

**5. Authority**

5.1 The Remuneration Committee is authorised to seek any information it requires from any employee or Director of the Company in order to perform its duties.

5.2 In connection with its duties, the Remuneration Committee is authorised to obtain advice from any person, including professional consultants, whom it regards as competent to give such advice.

**6. Duties and powers**

The Remuneration Committee is established with the following duties and powers:

- (a) to make recommendations to the Board on policies 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 determine the specific remuneration packages for 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 to make recommendations to the Board on the remuneration of Non Executive Directors. The Committee will consider factors such as salary paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and the 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 the 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 the relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
- (f) to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (g) to consult with the Chairman and/or President and Vice Chairman about the proposals of the Remuneration Committee relating to the remuneration of other Executive Directors;
- (h) to report to the Board in relation to the significant decisions and recommendations of the Remuneration Committee which ought properly to be brought to the attention of the full Board;
- (i) to exercise such other powers, authorities and discretions, and perform such other duties, of the Directors in relation to the remuneration of the Executive Directors and Senior Management as the Directors may from time to time delegate to it, having regard to the Code of Corporate Governance Practices (the "**Code**") of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"); and
- (j) in exercising its power, authorities and discretions and performing its duties, the Remuneration Committee shall take full account of the Code and the Listing Rules.

## **7. Resources**

The Remuneration Committee will be provided with sufficient resources to discharge its duties.

*Note: References to "Senior Management" are references to the category of persons referred to as such in the Company's annual report and required to be disclosed under Rule 18.39 of the Listing Rules.*