

Terms of Reference of Remuneration Committee

1 Constitution

The board of directors (the “**Board**”) of Soundwill Holdings Limited (the “**Company**”) has established a committee of the Board to be known as the Remuneration Committee (the “**Committee**”).

2 Membership

2.1 The members of the Committee (the “**Members**”) shall be appointed by the Board . A majority of the Members shall be independent non-executive directors of the Company.

2.2 The chairman of the Committee shall be an independent non-executive director of the Company and shall be appointed by the Board, failing which the Committee shall elect one of the Members as the chairman of the Committee.

3 Secretary of the Committee

The company secretary of the Company shall be the secretary of the Committee (the “**Secretary**”).

4 Frequency and Procedures of Meetings

4.1 Meetings shall be held not less than once a year.

4.2 Unless otherwise provided in these terms of reference, all of the provisions of the Bye-Laws of the Company regulating meetings and proceedings of the Board shall, mutatis mutandis, govern the meetings and proceedings of the Committee.

5. Attendance at Meetings

5.1 The Committee may invite any director, member of senior management or other individual to attend meetings of the Committee as it considers appropriate.

5.2 A quorum for the meetings of the Committee shall be two Members.

6 Authority

6.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee in order to perform its duties.

6.2 The Committee should consult the chairman of the Board and/or chief executive officer about their proposals relating to the remuneration of other executive directors and have access to professional advice if considered necessary.

6.3 The Secretary is authorised by the Board to obtain information required by the Members in pursuit of their duties.

7 Duties

The duties of the Committee shall be :-

7.1 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;

Note: For the purpose of these terms of reference, “senior management” should refer to the same category of persons as referred to in the Company’s annual report and is required to be disclosed under paragraph 12 of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

- 7.2 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;
- 7.3 to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- 7.4 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;
- 7.5 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; and
- 7.6 to ensure that no director or any of his associates is involved in deciding his own remuneration.

Note: The Committee shall 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

- 8.1 The Committee shall report to the Board concerning its activities, either orally or in writing, at regular meetings of the Board or at such other times or occasions where the Committee considers appropriate; and
- 8.2 The Committee shall make whatever recommendation to the Board it deems appropriate on any area within its ambit where action or improvement is needed.