

## **TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

### **1. MEMBERSHIP**

- 1.1 Members of the Remuneration Committee shall be appointed by the board of directors (the “Board”) of the Company.
- 1.2 The majority of the members of the Remuneration Committee must be independent non-executive directors (“INEDs”).
- 1.3 The Remuneration Committee shall consist of at least three (3) members.

### **2. CHAIRMAN**

- 2.1 The chairman of the Remuneration Committee shall be appointed by the Board and must be an INED.

### **3. SECRETARY**

- 3.1 The company secretary shall be the secretary of the Remuneration Committee.
- 3.2 In the absence of the company secretary, his/her delegate(s) or any person elected by the members present at the meeting of the Remuneration Committee, shall attend the meeting of the Remuneration Committee and take minutes.

### **4. PROCEEDINGS OF MEETINGS**

Unless otherwise specified hereunder, the provisions contained in the Company’s By-laws (as amended from time to time) for regulating meetings and proceedings of directors shall apply to the meetings and proceedings of the Remuneration Committee.

#### **4.1 Quorum**

- 4.1.1 The quorum for meetings of the Remuneration Committee shall be any two members.
- 4.1.2 A duly convened meeting of the Remuneration Committee at which a quorum is present at the time then the meeting proceeds to business and continues to be present until the conclusion of the meeting, shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Remuneration Committee.

## **4.2 Frequency of meetings**

4.2.1 The Remuneration Committee shall hold at least one regular meeting in a year. Additional meetings of Remuneration Committee may be held as and when required.

## **4.3 Attendance at meetings**

4.3.1 Members of the Remuneration Committee may attend meetings of the Remuneration Committee either in person, by telephone or through other electronic means of communication.

4.3.2 The other directors, Company Secretary (or his/her delegate(s)), Head of Human Resources and relevant senior management and persons(s) invited by a member of the Remuneration Committee member shall normally attend meetings of the Remuneration Committee.

## **4.4 Notice of meetings**

4.4.1 A meeting of the Remuneration Committee may be convened by any of its members, or by the secretary of the Remuneration Committee at the request of any of its members.

4.4.2 Unless otherwise agreed by all the members of the Remuneration Committee, notice of at least 14 days shall be given for a regular meeting of the Remuneration Committee, and such notice shall be sent to each member of the Remuneration Committee and to any other person invited to attend. For all other meetings of the Remuneration Committee, reasonable notice shall be given.

4.4.3 For regular Remuneration Committee meetings and as far as practicable in all other cases, an agenda and accompanying supporting papers shall be sent to all members of the Remuneration Committee and to other attendees as appropriate at least 3 days before the date of the meeting (or other agreed period).

4.4.4 Any member of the Remuneration Committee shall be entitled, by notice to the secretary of the Remuneration Committee, to include other matters relevant to the functions of the Remuneration Committee in the agenda of a Remuneration Committee meeting.

## **4.5 Minutes of meetings**

4.5.1 The secretary of the Remuneration Committee (or his/her delegate) in attendance at the meetings of the Remuneration Committee shall minute in sufficient detail the matters considered and decisions reached at such meetings. The minutes shall also include any concerns raised by any member of the Remuneration Committee and/or dissenting views expressed.

- 4.5.2 Draft and final versions of minutes of the Remuneration Committee meetings shall be sent to all Remuneration Committee members for their comment and records respectively, within a reasonable time after the meeting. Once the minutes are signed, the secretary shall circulate the minutes and reports of the Remuneration Committee to all members of the Board.
- 4.5.3 Minutes of the Remuneration Committee shall be kept by the secretary of the Remuneration Committee and shall be open for inspection by any member of the Remuneration Committee or the Board at any reasonable time on reasonable notice.
- 4.5.4 Without prejudice to any requirement under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”), written resolution may be passed and adopted by all members of the Remuneration Committee.

## **5. AUTHORITIES**

- 5.1 The Remuneration Committee shall consult the Chairman of the Board and/or chief executive about their remuneration proposals for other executive directors and shall have access to independent professional advice if necessary.
- 5.2 The Remuneration Committee shall be provided with sufficient resources to perform its duties.
- 5.3 The Remuneration Committee and each of its members shall have separate and independent access to the Company’s senior management.
- 5.4 All members of the Remuneration Committee shall have access to the advice and services of the company secretary of the Remuneration Committee to ensure that procedures of the Remuneration Committee and all applicable rules and regulations are followed.
- 5.5 In the event that the Remuneration Committee or any member of the Remuneration Committee requires access to independent professional advice in connection with his/her duties, a request may be made to the Board through the company secretary. All such requests shall be processed in accordance with the Company’s pre-defined procedures for seeking independent professional advice at the Company’s expense.
- 5.6 Every member of the Remuneration Committee shall ensure that he/she can give sufficient time and attention to his/her duties as a member of the Remuneration Committee. He/She shall give the Company the benefit of his/her skills and expertise through regular attendance and active participation.

\* “senior management” refers to the same persons as referred to in the Company’s annual report and required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules.

## **6. DUTIES, POWERS AND FUNCTIONS**

6.1 The duties of the Remuneration Committee include the following:

- (a) 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;
- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This includes benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) to make recommendations to the Board on the remuneration of non-executive directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;
- (f) 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;
- (g) 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; and
- (h) to ensure that no director or any of their associates is involved in deciding that director's own remuneration.
- (i) to review and/or approve matters relating to share scheme under Chapter 17 of the Listing Rules.

## **7. REPORTING RESPONSIBILITIES**

7.1. The Remuneration Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Remuneration Committee, the chairman of the Remuneration Committee shall report the findings and recommendations of the Remuneration Committee to the Board.

## **8. ANNUAL GENERAL MEETING**

8.1 The chairman of the Remuneration Committee or in his/her absence, another member of the Remuneration Committee or failing this, his/her duly appointed delegate, shall attend the Annual General Meeting of the Company and be prepared to respond to questions at the Annual General Meeting on the Remuneration Committee's work and responsibilities.

*Note:* If there is any inconsistency between the English and Chinese versions of this Terms of Reference, the English version shall prevail.