



Terms of Reference for Remuneration Committee

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Terms of Reference for Remuneration Committee

1. Objectives

The primary objectives of the Remuneration Committee (the “**RC**”) are to assist the the board of directors of the Company (the “**Board**”) in determining the policy and structure for the remuneration of directors and senior management, reviewing incentive schemes and directors’ service contracts and assessing the remuneration packages of the directors and senior management.

2. Membership

- 2.1 The RC members shall be appointed by the Board from among the directors of the Company (the “**Directors**”) and shall comprise not less than three members, a majority of whom shall be independent non-executive Directors.
- 2.2 If a regular RC member is unable to act due to absence, illness or any other cause, the chairman of the RC may appoint any non-executive Director (other than a person who is already a RC member) to serve as an alternate RC member.

3. Chairman

- 3.1 The chairman of the RC shall be an independent non-executive Director identified by the Board. In the absence of the chairman of the RC, the RC members present may elect any of their members who is an independent non-executive Director to chair the meeting.

4. Secretary

- 4.1 The secretary of the RC shall be the company secretary of the Company or any other persons authorized by the Board.

5. Meetings

- 5.1 The RC members may meet together for the despatch of business, adjourn and otherwise regulate their meetings at least once a year or more frequently as deemed necessary. The chairman of the RC may call for additional meetings at any time at his/her discretion.
- 5.2 The secretary of the RC shall, on the requisition of the members of the RC, summon a meeting of the RC. An agenda and accompanying papers shall be circulated to all RC members (including alternate member(s) that may be appointed pursuant to paragraph 2.2 above) in a timely manner and at least three days before the intended date of a RC meeting insofar as it is practicable.
- 5.3 RC members may participate in a meeting by means of a conference telephone or other communications equipment through which all members participating in the meeting can communicate with each other simultaneously and instantaneously. For the purpose of counting a quorum, such member shall constitute presence at a meeting as if those participating were present in person.
- 5.4 All decisions of the RC shall be made by majority vote.

6. Quorum

- 6.1 The quorum necessary for the transaction of business shall be two RC members, one of whom shall be an independent non-executive Director. A duly convened RC meeting at which a quorum is present shall be competent to exercise all of the powers, authorities and discretions vested in or exercisable by the RC.

7. Authority

- 7.1 The RC may exercise the following powers:
- 7.1.1 to seek any information it requires from any Directors or employees of the Company and/or its subsidiaries and any professional advisers in order to perform its duties and responsibilities, to require any of them to prepare and submit reports and to attend RC meetings and to supply such information as may be requested by the RC;
 - 7.1.2 to obtain, at the Company's expenses, independent professional advice on any matters within its duties and responsibilities, including the advice of independent human resources consultancy firms, and to secure the attendance of outsiders with relevant experience and expertise at the RC meetings if the RC considers it necessary; and
 - 7.1.3 to exercise such powers as the RC may consider necessary and expedient so that its duties and responsibilities can be properly discharged.
- 7.2 The Company will provide sufficient resources for the RC's performance of its duties and responsibilities, including payment of reasonable fees of legal and other independent professional advisers.

8. Duties and Responsibilities

- 8.1 The duties and responsibilities of the RC include the following:
- 8.1.1 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;
 - 8.1.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - 8.1.3 either:
 - 8.1.3.1 to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or
 - 8.1.3.2 to make recommendations to be the Board on the remuneration packages of individual executive Directors and senior management.

This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- 8.1.4 to make recommendations to the Board on the remuneration of non-executive Directors;
- 8.1.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 8.1.6 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;
- 8.1.7 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
- 8.1.8 to ensure that no Director or any of his associates is involved in deciding his own remuneration.

9. Reporting procedures

- 9.1 The secretary of the RC shall circulate the draft and final versions of minutes and reports of the RC meetings to all members of the RC for comment and approval within a reasonable time after each meeting.
- 9.2 The secretary of the RC shall maintain as part of the Company's corporate records all approved minutes and reports of the RC and such minutes and reports shall be made available for inspection at any reasonable time on reasonable notice by any Director.
- 9.3 The chairman of the RC should attend annual general meetings of the Company to answer questions from the shareholders. In his/her absence, he/she shall nominate another RC member or failing this his/her duly appointed delegate to attend in his/her stead.

10. Others

- 10.1 The RC shall upload these terms of reference to the website of The Stock Exchange of Hong Kong Limited and the Company's website.