

## **Terms of Reference for the Remuneration Committee of the Board**

(Revised in August 2015)

### **1. Membership**

- 1.1 The Remuneration Committee (the “Committee”) shall be appointed by the Board of Directors of the Company (the “Board”) and shall consist of not less than three members (the “Members”) appointed by the Board from time to time.
- 1.2 The majority of the Members of the Committee shall be Independent Non-Executive Directors (“INEDs”).
- 1.3 The Managing Director of the Company for the time being shall be an ex-officio Member.
- 1.4 The Chairman of the Committee shall be appointed by the Board and must be an INED.

### **2. Secretary**

- 2.1 The Company Secretary shall be the first secretary of the Committee.
- 2.2 The Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Committee.

### **3. Meetings**

- 3.1 The Committee shall meet at least once a year. Additional meetings shall be held as the work of the Committee demands.
- 3.2 The quorum of a meeting of the Committee shall be two Members. A meeting of the Committee may be held by means of a telephone or tele-conferencing or any other telecommunications facility provided that all participants are thereby able to communicate contemporaneously by voice with all other participants and participation pursuant to this provision shall constitute presence in person at such meeting.
- 3.3 Only Members are entitled to vote at meetings of the Committee. Questions arising at any meeting of the Committee shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote.
- 3.4 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 duly convened and held.

#### **4. Attendance at Meetings**

- 4.1 The Committee may invite external advisers or consultants or any other person it deems appropriate to its meetings.

#### **5. Representation at Annual General Meetings of the Company**

- 5.1 The Chairman of the Committee or in his/her absence, another Member or failing this the duly appointed delegate of the Chairman of the Committee, shall attend the Company's Annual General Meeting to answer shareholders' questions on the Committee's activities.

#### **6. Duties and functions**

The Committee shall: -

- 6.1 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;

*Note: "senior management" refers 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 to the Listing Rules.*

- 6.2 review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 6.3 determine with delegated responsibility the remuneration packages of individual 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 on the remuneration of Non-Executive Directors. The Committee should consider salaries paid by comparable companies, employment conditions, time commitment and responsibilities elsewhere in the Group. The Chairman of the Board shall be consulted about his view on the remuneration of the Executive Directors. The Managing Director shall be consulted about his view on the remuneration of other Executive Directors and the senior management;
- 6.4 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;
- 6.5 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;
- 6.6 ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;
- 6.7 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;
- 6.8 do any such things to enable the Committee to perform its duties and functions conferred on it by the Board; and

6.9 conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Articles of Association of the Company or imposed by legislation.

## **7. Reporting Procedures**

7.1 The Committee shall report its activities, findings and recommendations to the Board on a regular basis. This may be done by tabling the minutes of a meeting of the Committee at the next meeting of the Board following that meeting of the Committee.

7.2 The Committee shall submit an annual report to the Board setting out the major matters dealt with at the committee meetings during the period.

## **8. Authority**

8.1 The Committee is authorised by the Board to seek any remuneration related information it requires from senior management of the Company in order to perform its duties.

8.2 The Committee is authorised by the Board where necessary to obtain independent professional advice at the Company's expenses.

8.3 The Committee shall be provided with sufficient resources to perform its duties.

## **9. Publication of these Terms of Reference**

9.1 These terms of reference shall be posted on the websites of the Company and the Hong Kong Stock Exchange. A copy of these terms of reference shall be made available to any person without charge upon request.