



MELBOURNE ENTERPRISES LIMITED

萬邦投資有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 158)

Terms of Reference of Remuneration Committee

Membership

1. Members of the Remuneration Committee (the "Committee") shall be appointed by the Board of Directors of the Company (the "Board"). It shall consist of not less than three members.
2. The majority of the Committee members shall be independent non-executive Directors.
3. The Chairman of the Committee shall be an independent non-executive Director appointed by the Board.
4. The Company Secretary shall act as the Secretary of the Committee.

Frequency of Meetings

5. The Committee shall meet at least once a year.

Notice of Meetings

6. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any member of the Committee.

Quorum

7. The quorum necessary for the transaction of business of the Committee shall be two.

Minutes of Meetings

8. Full minutes of the Committee meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary).
9. Draft and final versions of minutes of the meetings shall be sent to all Committee members for their comment and records within a reasonable time after each meeting.

Authority

10. The Committee shall be provided with sufficient resources to perform its duties.
11. The Committee shall consult the Chairman and/or Chief Executive about their remuneration proposals for other executive Directors. The Committee shall have access to independent professional advice if necessary.

Duties

12. The duties of the Committee shall include:-
 - (a) to make recommendations to the Board on the Company's policy and structure for all Director's 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, including benefits in kind, pension rights, compensation payments and compensation payable for loss or termination of their office or appointment, of individual executive Directors and senior management;
 - (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 his associates is involved in deciding his own remuneration.

Publication of the Terms of Reference

13. The Remuneration Committee shall make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on both the Company's website and the website of The Stock Exchange of Hong Kong Limited.

Adopted on 7 March 2012