



天安中國投資有限公司

TIAN AN CHINA INVESTMENTS COMPANY LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 28)**

(the “Company”)

## **Terms of Reference of Remuneration Committee**

### **1 Membership**

- (a) The Committee shall be appointed by the Board from amongst the Non-Executive Directors of the Company and shall consist of not less than three members, a majority of whom should be Independent Non-Executive Directors of the Company (“INEDs”).
- (b) The Board may at any time remove, suspend or replace any member of the Committee at its option by resolution whereupon the Committee should consist of the remaining or replaced members of the Committee.
- (c) The Chairman of the Committee shall be appointed by the Board from amongst the INEDs.
- (d) The Company Secretary of the Company shall be the Secretary of the Committee.

### **2 Frequency of Meetings**

The Committee shall meet at least once every year; and may meet more often if requested by the Chairman of the Committee or, by any two members of the Committee. Meetings should be arranged by the Secretary of the Committee upon instruction of the Chairman of the Committee.

### **3 Attendance at Meetings**

- (a) A quorum of a meeting shall be two members of the Committee.
- (b) The Chairman of the Board, the Managing Director and the Executive Directors may also attend the Committee meetings, if invited, provided that they must not be in attendance when their own respective remuneration packages are being discussed.
- (c) The Committee may, if necessary, invite the Head of Human Resources Department and other advisors to the meetings to advise its members.
- (d) Any members of the Committee or other attendees may participate in a meeting of the Committee by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.

#### **4 Committee's Resolutions**

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 and may consist of several documents in like form each signed by one or more of the members of the Committee.

#### **5 Duties and Powers**

The duties and powers of the Committee shall be:

- (a) to make recommendations to the Board on the policy and structure for all Directors' remuneration and other remuneration matters and on the establishment of a formal and transparent procedure for developing remuneration policy. In principle, remuneration levels should be sufficient to attract and retain Directors to run the Company successfully without paying more than necessary. The Board will upon receipt of the Committee's recommendations discuss the same and then formally adopt a formal and transparent procedure for setting such policies;
- (b) to review and recommend Executive Directors' 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. This should include benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment). The Committee may consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;
- (d) to make recommendations to the Board on the remuneration of the Non-Executive Directors. In doing so the Committee may consider fees paid by comparable companies, time commitment and responsibilities of the Non-Executive Directors;
- (e) to review and recommend the compensation payable to Executive Directors for any loss or termination of their office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (f) to review and recommend 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;
- (g) to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (h) to consult the Chairman and/or the Managing Director about their remuneration proposals for other Executive Directors and if necessary, engage such external professional advisors to assist and/or advise the Committee but only in accordance with the Company's policy for Directors to seek independent professional advice;

- (i) to do such things to enable the Committee to discharge its powers and functions conferred on it by the Board;
- (j) to conform to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) where appropriate;
- (k) to ensure the Company discloses details of any remuneration payable to members of senior management by band in the annual reports in accordance with the Listing Rules; and
- (l) to be provided with sufficient resources to perform its duties.

## **6 Reporting Procedure**

At the next meeting of the Board following a meeting/written resolution of the Committee, copies of the minutes of the meetings/resolutions setting out the findings, recommendations and decisions of the Committee shall be submitted to the Board.

## **7 Availability and Update of the Terms of Reference**

These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. Listing Rules) in Hong Kong. These terms of reference shall be made available to the public by including the information on the websites of The Stock Exchange of Hong Kong Limited and the Company.

*(updated as of 1st April, 2012)*