



MASTERMIND CAPITAL LIMITED

慧德投資有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 905)

Terms of Reference for Remuneration Committee

(Version date: 28th March, 2012)

1. Constitution

The board of directors (the “Board”) of Mastermind Capital Limited (the “Company”) has established a Committee known as the Remuneration Committee (the “Committee”).

2. Membership

2.1 Members of the Committee shall be appointed by the Board and shall consist of not less than three members from time to time, the majority of whom should be independent non-executive directors.

2.2 The chairman of the Committee (the “Chairman”) shall be appointed by the Board and should be an independent non-executive director.

3. Attendance at meetings

3.1 Only members of the Committee have the right to attend Committee meetings. Other Board members, executives of the Company and its subsidiaries (the “Group”) may be invited to attend for all or part of any meetings, as and when appropriate.

4. Secretary

The company secretary of the Company shall be the secretary of the Committee (the “Secretary”). In the absence of the Secretary in any meetings of the Committee, a member of the Committee or a representative of the Secretary shall act as the secretary of the meeting of the Committee.

5. Quorum

The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

* For identification purpose only

6. Frequency and procedures of Meetings

- 6.1 Meetings shall be held at least once a year. Meetings shall be held at such time as the Committee shall require to consider and review the remuneration policies of the Company and make recommendations to the Board. Additional meetings shall be held as the work of the Committee demands. In addition, the Chairman may convene additional meetings at his discretion.
- 6.2 The Chairman, in consultation with the Secretary of the Committee, should be primarily responsible for drawing up and approving the agenda for each Committee meeting. The Chairman, with the assistance of the Secretary, shall ensure that all members shall have sufficient information in a timely manner to enable effective discussion at a Committee meeting and be briefed on the issues arising at each Committee meeting.
- 6.3 The meetings and proceedings of the Committee are governed by the provisions of the Articles of Association of the Company for regulating the meetings and proceedings of the Board so far as the same are applicable.

7. Minutes of Meetings

The Secretary shall record minutes of all duly constituted meetings of the Committee. The Secretary shall circulate the draft and final versions of the minutes of meetings and reports of the Committee to all members for comments and records within a reasonable time after each meeting.

8. Authority

- 8.1 The Committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors in making their recommendations relating to remuneration of other executive directors.
- 8.2 The Committee is and may, from time to time, seek advice from special personnel consulting groups so as to ensure that the Board remains informed of market trends and practices. The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.
- 8.3 The Committee is authorised to determine remuneration packages of individual executive directors and senior management of the Company.
- 8.4 The Committee should be provided with sufficient resources to perform its duties.

9. Duties

- 9.1 The duties of the Committee shall be: -
- (a) to make recommendations to the Board on the Company's remuneration policy and structure for all directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;

- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) to determine the specific remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments;
- (d) to make recommendations to the Board on the remuneration of non-executive directors;
- (e) to review and approve compensation payable to executive directors and senior management in connection with any loss or termination of office or appointment to ensure that such compensation is consistent with relevant contractual terms and is otherwise fair and not excessive;
- (f) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with relevant contractual terms and are otherwise reasonable and appropriate;
- (g) to ensure that no director or any of his associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) is involved in deciding his own remuneration;
- (h) to advise the shareholders of the Company (the "Shareholders") on how to vote with respects to any service contracts of directors that require Shareholders' approval under the Listing Rules; and
- (i) to do any such things to enable the Committee to perform its functions conferred on it by the Board.

9.2 In determining any specific package, the Committee shall take into account factors such as salaries paid by comparable companies, time commitment, responsibilities, employment conditions elsewhere in the Company and its subsidiaries and whether any part of the remuneration package should be performance-based.

9.3 The Chairman or another member of the Committee shall be available to answer questions at the annual general meeting of the Company.

10. Reporting Responsibilities

10.1 The Chairman shall report back to the Board on its proceedings after each meeting on all matters within its duties and responsibilities; and

10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.