



# BIRMINGHAM INTERNATIONAL HOLDINGS LIMITED

## 伯明翰環球控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 2309)

### TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

#### 1. CONSTITUTION

- The board of directors (the “**Board**”) of Birmingham International Holdings Limited (the “**Company**”) has established a Remuneration Committee on 26 July 2007 and approved its terms of reference.

#### 2. MEMBERSHIP

- The Remuneration Committee shall consist of 3 members. The members of the Remuneration Committee shall be appointed by the Board from amongst the Executive Directors and Independent Non-Executive Directors of the Company.
- A majority of the members of the Remuneration Committee should be Independent Non-Executive Directors.
- The Chairman of the Remuneration Committee shall be appointed by the Board and must be an Independent Non-Executive Director.
- A regular member is unable to act due to absence, illness or any cause, the chairman of the Remuneration Committee may appoint another non-executive director of the Company to serve as an alternate member.

#### 3. SECRETARY

- The Company Secretary shall be the secretary of the Remuneration Committee.

#### 4. QUORUM

- The quorum necessary for the transaction of the business of the Remuneration Committee shall be two Independent Non-Executive Directors of the Remuneration Committee. A

duly convened meeting of the Remuneration 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 Remuneration Committee.

## **5. FREQUENCY OF MEETING**

- Meetings shall be held at least once a year and can either be in person or through other electronic means of communication.

## **6. NOTICE OF MEETING**

- Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Remuneration Committee and any other person required to attend, with reasonable notice, before the date of the meeting. Supporting papers shall be sent to Remuneration Committee members and to other attendees as appropriate, at the same time.

## **7. ATTENDANCE AT MEETINGS**

- Member of the Remuneration Committee may attend meetings of the Remuneration Committee either in person by telephone or through other electronic means of communication or in such other manner as the members may agree.

## **8. AUTHORITY**

- The Remuneration Committee should consult the chairman and/or the chief executive officer about their proposals relating to the remuneration of other executive directors and have access to independent professional advice at the Company's expenses, if considered necessary;
- The Remuneration Committee is and may, from time to time, seek advice from independent special personnel consulting groups so as to ensure that the Board remains informed of market trends and practices.

## **9. DUTIES**

- The Remuneration Committee will take full account of the Listing Rules.
- The duties of the Remuneration Committee shall be:
  - (a) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;

- (b) to have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management, and for the Board's final determination, 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 of the remuneration of non-executive directors and for the Board's final determination. The Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group and desirability of performance based remuneration;
  - (c) to review and approve management remuneration policy with reference to corporate goals and objectives resolved by the Board from time to time;
  - (d) to review and approve the compensation payable to executive directors, and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
  - (e) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
  - (f) to ensure that no director or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration;
  - (g) to determine the participation of members of the Board who are executive directors, members of the executive directorate, and other employees of the Company in any discretionary employee share or other share-based incentive schemes operated by the Company; and
  - (h) with respect to any service contracts of Directors (if any) that require shareholders' approval under Rule 13.68 of the Listing Rules, to advise shareholders as to whether the terms are fair and reasonable, whether such contracts are in the interests of the Company and its shareholders as a whole, and as to how to vote.
- The Remuneration Committee would consult the Chairman or CEO the proposals relating to the remuneration of other executive directors. The Remuneration Committee may have access to external professional advice if considered necessary.
  - In determining any specific package, the Remuneration Committee shall take into account factors such as salaries paid by comparable companies, time commitment, responsibilities of directors, employment conditions elsewhere in the group.

- The chairman of the Remuneration Committee shall attend annual general meetings to respond shareholders' questions within the scope of duties of the Remuneration Committee. In the chairman's absence, another member of the Remuneration Committee or failing this, his duly appointed delegate should attend in his place.

## **10. MINUTES AND REPORTING TO THE BOARD**

- The members of the Remuneration Committee shall cause minutes to be made of all resolutions and proceedings of the Remuneration Committee including the names of all those present and in attendance at meetings of the Remuneration Committee. Minutes of Remuneration Committee meetings shall record in sufficient detail the matters considered by the Remuneration Committee members and decisions reached, including any concerns raised by the Remuneration Committee members and dissenting views expressed.
- The Remuneration Committee shall promptly report back to the Board all decisions and recommendations.

## **11. PROCEDURES**

- The chairman, in consultation with the responsible director and the secretary of the Remuneration Committee, should be primarily responsible for drawing up and approving the agenda for each Remuneration Committee meeting;
- The chairman, with the assistance of the secretary, shall ensure that all members shall receive sufficient information in a timely manner to enable effective discussion at the Remuneration Committee meeting;
- The chairman shall, with the assistance of the responsible director, brief all members on issues arising at each Remuneration Committee meeting. The secretary shall circulate the draft and final versions of the minutes of meetings and reports of the Remuneration Committee to all members for comments and records within a reasonable time after each meeting, subject to any legal or regulatory restrictions restricting such circulation or the making of such reports;
- The Board should require such committees to report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements); and
- The secretary of the Remuneration Committee shall record minutes of all duly constituted meetings of the Remuneration Committee. All minutes shall record in sufficient details the matters considered, decisions reached or recommendations made and any concerns raised by any member including dissenting views.

## 12. DATE OF ADOPTION

- These revised terms of reference was approved and adopted by the Board on 30 March 2012.

The remuneration committee shall consist of three members. With the resignation of Mr. Chang Kin Man (“Mr. Chang”) on 31 May 2011, the Company now has two members of the Remuneration Committee and is identifying a suitable candidate to fill the vacancy as soon as possible. Further announcements will be made as and when appropriate.

On 31 May 2011, Mr. Chang has resigned as Independent Non-Executive Director, including the Chairman of the Remuneration Committee. Mr. Yau Yan Ming, Raymond, present Independent Non-Executive Director, has appointed as the chairman of the Remuneration Committee accordingly.

This document has been translated into Chinese. In case of discrepancies between the English version and the Chinese version, the English version shall prevail.