

**REMUNERATION COMMITTEE - TERMS OF REFERENCE**

Adopted on 1 July 2005

Amended on 30 June 2008, 28 February 2012 and 11 August 2015

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**1 Constitution**

The board of directors of the Company (the “**Board**”) resolved to constitute and establish a remuneration committee (the “**Remuneration Committee**”) on 1 July 2005, with authority and specific duties as described below.

**2 Membership**

- 2.1 The members of the Remuneration Committee shall be appointed by the Board and shall consist of not less than three members, the majority of whom should be independent non-executive directors.
- 2.2 The Chairman of Remuneration Committee shall be appointed by the Board and who must be an independent non-executive director.

**3 Attendance at meetings**

- 3.1 Only members of the Remuneration Committee have the right to attend and entitled to vote at the Remuneration Committee meetings. However, at the invitation of the Remuneration Committee, other Board members, senior management, external advisors or other persons deem appropriate may be invited to attend all or part of any meetings.
- 3.2 The Company Secretary of the Company or his or her nominee shall be the Secretary of the Remuneration Committee attending meetings.

**4 Frequency and proceedings of meetings**

- 4.1 The Remuneration Committee shall meet at least annually. Additional meetings shall be held as the work of the Remuneration Committee demands.
- 4.2 The Chairman of the Remuneration Committee may convene additional meetings at his/her discretion.
- 4.3 The quorum for a meeting shall be two members.
- 4.4 Meetings can be held in person, by means of such telephone, electronic or other communication facilities as permit all committee members participating in the meeting to communicate with each other simultaneously and instantaneously.
- 4.5 Written Resolutions signed by all members of the Remuneration Committee shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.
- 4.6 Minutes shall be kept by the Secretary of the Remuneration Committee. Draft and final versions of minutes shall be circulated to all members of the Remuneration Committee for their comment and records respectively, in both cases within a reasonable period of time after the meeting.
- 4.7 Except for provided herein, proceedings of the Remuneration Committee’s meetings shall be governed by the provisions contained in the articles of association of the Company.

## **5 Authority**

- 5.1 The Remuneration Committee shall consult the Chairman of the Board about the remuneration proposals for other executive Directors and senior management.
- 5.2 The Remuneration 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.
- 5.3 The Remuneration Committee is authorised by the Board where necessary to have access to independent professional advice.
- 5.4 The Remuneration Committee shall be provided with sufficient resources to perform its duties.

## **6 Duties**

The duties of the Remuneration Committee include:

- 6.1 to 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;
- 6.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 6.3 either (a) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or (b) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This should include but without limitation, basic salaries, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- 6.4 to make recommendations to the Board on the remuneration of non-executive Directors;
- 6.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 6.6 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;
- 6.7 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;
- 6.8 to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration; and
- 6.9 to consider other topics, as defined by the Board from time to time.

## **7 Reporting Procedures**

The Remuneration Committee shall report the findings and recommendations to the Board after each meeting.

## **8 Annual General Meeting**

The Chairman of the Remuneration Committee (or in his/her absence, his/her duly appointed delegate) shall attend the Annual General Meeting of the Company prepared to respond to any shareholder questions on the Remuneration Committee's activities and their responsibilities.

## **9 Publication of the Term of Reference**

The Remuneration Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on the websites of The Stock Exchange of Hong Kong Limited and of the Company.