



## Huanxi Media Group Limited

### 歡喜傳媒集團有限公司\*

*(Incorporated in the Bermuda with limited liability)*

*(於百慕達註冊成立之有限公司)*

*(the “Company”)*

**(Stock Code: 1003)**

**(Adopted as of 2 June, 2005)**

*(Revised on 12 March 2012 and 18 September 2015)*

## TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

### 1. Purpose

The remuneration committee of the Company (the “**Committee**”) is to assist the board of directors of the Company (the “**Board**”) to develop and administer a formal and transparent procedure for setting policy on the remuneration and remuneration packages of all the directors of the Company (the “**Directors**”) and the senior management of the Company.

### 2. Membership

- 2.1 All members of the Committee (the “**Members**”) shall be appointed by the Board. The Committee shall comprise a minimum of three Directors. The Committee is chaired by an independent non-executive Director and comprises a majority of independent non-executive Directors.
- 2.2 Subject to the requirements of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited as modified from time to time (the “**Listing Rules**”), the Board may appoint and remove Members in accordance with the Bye-laws of the Company (“**Bye-laws**”). Members will serve for such terms as the Board may fix, and in any case at the will of the Board, whether or not a specific term is fixed. The Board may remove Members at its sole discretion.
- 2.3 The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board, or if the Board does not do so, the Members will appoint a Member as Chairman by a majority vote of the authorized number of Members.

### 3. Duties

The duties of the Committee shall include the following:

- 3.1 To make recommendations to the Board on the Company’s policy and structure for all Directors’ and senior management’s remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

\* for identification purpose only

- 3.2 To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- 3.3 To make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.
- 3.4 To make recommendations to the Board on the remuneration of non-executive Directors.
- 3.5 To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group.
- 3.6 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.
- 3.7 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.
- 3.8 To ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.
- 3.9 The Committee shall advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under Rule 13.68 of the Listing Rules.

\* *For the purpose of these terms of reference ("**these Terms**"), "**senior management**" means the same category of persons as referred to in the Company's annual report and is required to be disclosed under the relevant requirements under the Listing Rules as amended from time to time.*

## 4. Meetings

### 4.1 Frequency

The Committee shall meet as often as it determines necessary, but not less than once a year. Additional meetings should be held as necessary.

### 4.2 Notice

Notice of any meetings of the Committee has to be given to all Members prior to any such meeting being held in accordance with the Bye-laws. Notice of a meeting of the Committee shall be deemed to be duly given to a Member if it is given to such Member in writing or verbally (including in person or by telephone) or via electronic mail or by telephone or in such other manner as the Board may from time to time determine.

#### 4.3 Quorum

The quorum for the meetings of the Committee shall be two Members, of whom at least one has to be an independent non-executive Director.

#### 4.4 Resolutions

Resolutions of the Committee shall be passed by a majority of votes, or by way of written resolutions signed by all of the Members in accordance with the Bye-laws of the Company. In the case of any equality of votes, the Chairman shall have an additional or casting vote. Members may participate in any meeting of the Board by means of a telephone conference, video conference or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously.

#### 4.5 Secretary

The company secretary of the Company shall be the secretary of the Committee (the “Secretary”).

#### 4.6 Minutes

The Secretary of the Committee should keep full minutes of all Committee meetings (who shall attend each meeting). Draft and final versions of minutes of meetings of the Committee shall be sent to all Members for their comments and records respectively, in both cases within a reasonable time after the meeting.

#### 4.7 Procedures

The Committee may establish its own procedures, including the formation and delegation of authority to subcommittees, in a manner not inconsistent with these Terms, resolutions of the Board, the Bye-laws of the Company and other corporate governance documents, the Listing Rules and applicable laws or regulations.

## **5. Authority and reports**

- 5.1 The Committee shall report directly to the Board unless there are legal or regulatory restrictions on the Committee's ability to do so (such as a restriction on disclosure due to regulatory requirements), and shall, where appropriate, consult the Chairman and/or Chief Executive Officer of the Company about their remuneration proposals for other executive Directors and senior management.
- 5.2 Matters that the Committee shall report to the Board, including without limitation the major items covered by the Committee at each meeting of the Committee and provide additional reports to the Board as the Committee may determine to be appropriate.
- 5.3 The Committee is authorised by the Board to obtain outside independent professional advice if necessary.
- 5.4 The Committee shall be provided with sufficient resources to perform its duties.

## **6. Annual general meetings**

- 6.1 The chairman of the Committee (or in his absence, his duly appointed delegate) shall attend the Company's annual general meetings and be prepared to respond to questions at the annual general meeting on the Committee's activities.

## **7. Terms available**

- 7.1 The Committee should make available these Terms, explaining its role and the authority delegated to it by the Board by including them on the Stock Exchange of Hong Kong Limited's website and the Company's website.

## **8. Conflict**

- 8.1 If these Terms conflict with the Listing Rules (as amended from time to time), implementation shall be in accordance with the Listing Rules, and these Terms shall be amended and presented to the Board for consideration and adoption as soon as practicable.

***Note: If there is any inconsistency between the English and Chinese versions of these Terms, the English version shall prevail.***