



# **CODE AGRICULTURE (HOLDINGS) LIMITED**

## **科地農業控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 8153)**

### **REMUNERATION COMMITTEE – TERMS OF REFERENCE**

#### **Constitution**

1. The Board of Directors of Code Agriculture (Holdings) Limited (the “Company”) (the “Board”) hereby constitutes and establishes a Committee of the Board to be known as the Remuneration Committee with authority and duties as described below.

#### **Membership**

- 2 The Remuneration Committee members (the “members”) shall be appointed by the Board and the Remuneration Committee shall consist of not less than three (3) members.
- 3 The majority of the members shall be independent non-executive directors of the Company.
- 4 The chairman of the Remuneration Committee shall be appointed by the Board who must be an independent non-executive director of the Board.

#### **Frequency and proceedings of meetings**

- 5 The Remuneration Committee shall meet at least annually. Additional meetings shall be held as the work of the Remuneration Committee demands.
- 6 Notice of any Remuneration Committee meetings has to be given five (5) days prior to any such meeting being held, unless all members unanimously waive such notice.
- 7 The quorum for meetings of the Remuneration Committee shall be two (2) members.
- 8 Only members have the right to vote at the Remuneration Committee meetings. Resolutions of the Remuneration Committee shall be passed by a majority of votes which could also be passed by way of unanimous written resolutions.
- 9 The Remuneration Committee meeting can be held in person, by telephone or by video conference.

### **Authority**

- 10 The Remuneration Committee is authorized by the Board:
- (a) to consult the chairman of the Board and/or chief executive officer about their proposals relating to the remuneration of other executive directors;
  - (b) to seek any relevant information it requires from senior management of the Company to perform its duties;
  - (c) to obtain, at the Company's expenses, independent professional advice or to secure assistance from external parties with relevant experience and expertise where it considers necessary.

### **Attendance**

- 11 As necessary or desirable, the chairman of the Remuneration Committee may request the management be present at meetings of the Remuneration Committee.

### **Duties**

- 12 The Remuneration Committee shall have the following duties:
- (a) 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 transportation procedure for developing 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, with delegated responsibility, 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;
  - (d) to make recommendations to the Board on the remuneration of non-executive directors;
  - (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
  - (f) 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;
  - (g) 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; and
  - (h) to ensure that no director or any of his associates is involved in deciding his own remuneration.

### **Secretary**

- 13 The Company Secretary or his nominee shall act as the Remuneration Committee's Secretary.

### **Reporting responsibilities and procedures**

- 14 Minutes of the Remuneration Committee meetings shall be kept by the Remuneration Committee's Secretary and shall be sent to all members for their comments and records respectively in both cases within a reasonable time after the meeting.
- 15 The Remuneration Committee's Secretary shall circulate the minutes and reports (if any) of the Remuneration Committee meetings to all members of the Board.
- 16 The Remuneration Committee shall report directly to the Board on its decisions and recommendations.

### **Availability and Update of the terms of Reference**

- 17 These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements in Hong Kong.

Revised on 29th March 2012.