

## **REMUNERATION COMMITTEE**

### **TERMS OF REFERENCE**

(Adopted by the Board of Directors on 20 July 2005 and  
revised by the Board of Directors on 8 July 2010)

#### **Constitution**

1. The Board hereby acknowledges the formal establishment of a Committee of the Board known as the Remuneration Committee on 20 July 2005.

#### **Membership**

2. The members of the Committee shall be appointed by the Board and shall consist of a minimum of three (3) members, a majority of whom should be independent non-executive directors; and.
3. The Chairman of the Committee shall be appointed by the Board and should be an independent non-executive director.

#### **Attendance at meetings**

4. The Committee may invite other members of the Board or any other person it deems appropriate to attend the meetings; and
5. The company secretary or any person assigned by the Chairman of the Committee shall be the secretary of the Committee.

#### **Frequency of meetings**

6. Meetings shall be held at least twice (2) a year and at such other times as the Chairman of the Committee shall require.

#### **Procedures of meetings**

7. Notice of meeting shall be given at least 14 days prior to such meeting to be held, unless all Members unanimously agree to waive such notice;
8. The quorum necessary for the transaction of the business of the Committee shall be two, one of whom must be an independent non-executive director;

9. The members of the Committee may participate in any meetings either in person or by means of a conference telephone or other electronic means of communications;
10. The secretary of the Committee shall record the minutes of the meeting of the Committee in sufficient details the matters considered by the Committee and decisions reached and any concerns raised by any members including dissenting views. Draft and final versions of the minutes of the meetings should be circulated to all members of the Committee for comment and records respectively, in both cases within a reasonable time after the meeting;
11. Written resolutions signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held;
12. Minutes of the meetings and written resolutions of the Committee shall be kept by the secretary of the Committee and such minutes and written resolutions shall be open for inspection at any reasonable time on a reasonable notice by any member of the Committee or any director of the Company; and
13. Unless otherwise provided herein, the meetings and proceedings of the Committee shall be governed by the provisions of the Company's Bye-laws for regulating the meetings and proceedings of the Board.

#### **Annual General Meeting**

14. The Chairman of the Committee or in the absence of the Chairman, another member of the Committee who must be an independent non-executive director or failing this his duly appointed delegate, shall attend the Company's annual general meeting and be prepared to answer questions of the shareholders on the Committee's activities thereat.

#### **Authority**

15. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee;
16. The Committee is authorised by the Board to obtain outside legal or other independent professional advice at the Company's expense and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
17. The Committee shall be provided with sufficient resources to discharge its duties.

## Duties

18. The duties of the 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 of such remuneration;
- (b) to determine the specific remuneration packages of all executive directors and senior management, including bonus, share options, 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. The Committee should consider factor 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 performance-based remuneration by 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 make recommendations to the Board concerning the introduction of any new share incentive plans which require approval by shareholders;
- (g) to administer the Company's share option scheme(s) in accordance with the terms of such scheme(s);
- (h) to administer and oversee other share incentive scheme or other equity based schemes of the Company in place from time to time;
- (i) to ensure that no director or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration;
- (j) to 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;

- (k) to consult the Chairman of the Board and/or Chief Executive Officer about their proposals relating to the above matters;
- (l) to report to the Board on all of the above matters; and
- (m) to consider other matters, as defined by the Board.

### **Reporting procedures**

- 19. The Committee shall regularly report to the Board concerning its activities and all the matters set out above or any other matters as set out in the code provisions of the Code on Corporate Governance Practices in Appendix 14 of the Listing Rules; and
- 20. The secretary of the Committee shall circulate the minutes of meetings or written resolutions and reports of the Committee to all members of the Committee as well as of the Board after the meeting.

### **Publication of Terms of Reference**

- 21. The Committee shall make available its terms of reference, explaining its role and the authority delegated to it by the Board, at the Company's website.