



Terms of Reference of Remuneration Committee

Functions

The primary functions of the Committee are to:

1. assist the Board of Directors (“Board”) in establishing formal and transparent remuneration policies and procedures for directors and senior executives of the Group including the Chief Executive Officer (“CEO”) of the Company;
2. recommend to the Board remuneration package for directors and senior executives of the Group;
3. review the performance evaluations of senior executives of the Group and approve their bonus and salary increment proposals;
4. approve the overall bonus and salary increment proposals for the Group;
5. review and approve the succession plan for senior executives of the Group;
6. recommend to the Board the establishment of long term incentive plan(s) for eligible employees and eligible executives of the Group; and
7. administer the Share Grant Plan (“SGP”) and any other incentive plans to be established by the Company from time to time.

Composition

1. The Committee shall comprise at least three (3) members. All or a majority of the Committee must be non-executive directors.
2. The chairman of the Committee shall be a non-executive director.
3. In the event of any vacancy in the Committee resulting in the number of members reducing to below three (3), the Board must fill the vacancy within six (6) months.

Duties and Responsibilities

To carry out the functions described above, the Committee shall have the following duties and responsibilities:

1. Establish and review remuneration policies and procedures for both executive and non-executive directors in order to attract and retain them.
2. Review and approve remuneration policies and systems for the senior executives of the Group in Job Grade 13 and above, including the CEO.
3. Recommend to the Board, the remuneration and terms and conditions of service of executive directors and the CEO of the Company and the remuneration for non-executive directors. Ensure the remuneration packages are aligned with business strategy and long term objectives of the Company and also reflect the Board’s responsibilities, expertise and complexity of the Company’s activities.
4. Consider and approve the appointment of senior executives of the Group in Job Grade 13 and above, excluding the CEO whose appointment shall be approved by the Board.
5. Review the performance evaluations of senior executives in Job Grade 13 and above, including the CEO and approve their variable bonus and salary increment proposals.
6. Review and approve succession plan for senior executives of the Group in Job Grade 13 and above, excluding the CEO whose succession plan shall be reviewed by the Nominating Committee.

7. Administer the SGP of the Company in accordance with the provisions of the relevant bye-laws. Consider and approve management recommendation in the allocation of share grants pursuant to the SGP.
8. Recommend to the Board, establishment of any long term incentive plans for eligible employees and executives of the Group.
9. To the extent the Committee deems advisable, engage consultants to advise the Committee on the levels and types of compensation being given by companies similar to the Company to their directors and any other matters the Committee deems appropriate.
10. To the extent the Committee deems advisable, consult with internal or external legal counsel on any matters relating to particular compensation decisions, including tax deductibility to the Company and tax effects upon employees.
11. Conduct an annual evaluation of the Committee's performance.
12. Ensure that adequate disclosures on Board remuneration policies and procedures are made in the annual report of the Company, if required.

Authority

1. In carrying out its duties and responsibilities, the Committee shall have the authority to:
 - a) review matters within this terms of reference and make recommendation to the Board for approval;
 - b) review and approve matters within its authority set out in the Chart of Authority;
 - c) seek any information it requires from any employee in order to perform its duties and have access to all relevant records;
 - d) invite any employee or other individual to attend a meeting of the Committee; and
 - e) seek outside professional advice to carry out its duties and to invite their attendance at the Committee meeting, if necessary.
2. The Committee shall have access to the services of the secretary of the Company on all Committee matters including assisting the chairman in planning the Committee works, drawing up meeting agenda, collection and distribution of information and provision of any other necessary support.

Secretary

The secretary of the Company shall be the secretary of the Committee. The secretary shall in his/her absence, nominate a minute secretary to record the proceedings of the meeting of the Committee.

Meeting and Minutes

1. The Committee shall meet as frequently as required but at least twice a year. Its quorum shall be two (2) members.
2. The chairman of the Committee will in consultation with the other members of the Committee be responsible for calling meetings of the Committee, establishing the agenda and supervising the conduct thereof.
3. Notice of meeting and relevant meeting papers shall be distributed to the Committee members at least five (5) business days prior to the scheduled meeting, except under special circumstances whereby a special meeting of the Committee is called by the chairman of the Committee.

4. If at any meeting, the chairman of the Committee is not present within fifteen (15) minutes after the time appointed for holding the meeting, the members present may choose one of their numbers who is a non-executive director to be the chairman of the meeting.
5. Attendance at a meeting may be in person or by way of participation via video conference or teleconference or such other means as may be agreed by the Committee.
6. The chairman of the Committee shall report to the Board on its proceedings after each Committee meeting.
7. The minutes of meeting shall be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next meeting. The minutes shall be circulated to all members of the Committee and the Board.
8. The secretary shall keep the minutes of the Committee meetings at the Company's registered office. The minutes shall be open for inspection by any member of the Committee and the Board.
9. A resolution in writing signed by all members of the Committee for the time being entitled to receive notice of a meeting 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. Any such resolution may consist of several documents (or facsimiles thereof) in like form, each signed by one or more members of the Committee. For the purpose of this paragraph, "in writing" and "signed" include approval by facsimile and email.

Decision Making

Decision on any matter within the purview of the Committee shall be made on a majority basis.

Annual Review of Terms of Reference

The Committee shall with the assistance of management review the adequacy of this terms of reference on a regular basis and may from time to time recommend proposed changes to the Board as it deems appropriate to reflect new best practices and new legal or regulatory requirements.

(End of Terms of Reference)