



## **TONGDA GROUP HOLDINGS LIMITED**

通達集團控股有限公司

### **Remuneration Committee Terms of Reference**

(Approved by the Board on 8 March 2005 and last reviewed on 14 March 2012)

---

Reference to “the Committee” shall mean the Remuneration Committee of Tongda Group Holdings Limited.

Reference to “the Board” shall mean the board of directors (the “Director”) of Tongda Group Holdings Limited.

Reference to “the Company” shall mean Tongda Group Holdings Limited and reference to “the Group” shall mean the company and its subsidiary undertakings.

---

#### **1. MEMBERSHIP**

- 1.1 The members of the Committee shall be appointed by the Board, where appropriate, in consultation with the chairman of the Committee (the “Committee Chairman”). The Committee shall be made up of at least three members.
- 1.2 The majority of members of the Committee shall be independent non-executive directors (“INEDs”). The Chairman of the Board (unless he is an INED) shall not be a member of the Committee.
- 1.3 Chairman of the Committee shall be appointed by the Board and shall be an INED. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their members to chair the meeting.
- 1.4 The Board may, from time to time, at their discretion, amend the terms of reference or adopt new terms of reference or change the composition of the members of the Committee.

#### **2. SECRETARY**

- 2.1 The company secretary (the “Company Secretary”) of the Company shall be the secretary of the Committee. In the absence of the Company Secretary, his/her delegate(s) or any person elected by the members present at the meeting of the Committee, shall attend the meeting and take minutes.

### **3. MEETINGS AND PROCEEDINGS**

3.1 Unless otherwise stated herein, meetings and proceedings of the Committee shall be governed by the provisions contained in the Company's Article of Association (as amended from time to time) for regulating the meeting and proceeds of Directors.

3.2 The Committee shall meet at least once a year and otherwise as required by the works of the Committee.

3.3 Only members of the Committee have the right to attend Committee meetings. Other individuals such as the Chairman of the Board, the Chief Executive Officer and Head of Human Resources, may be invited to attend all or part of any meeting as and when appropriate.

3.4 The quorum of a Committee meeting shall be any two members who shall be INEDs.

3.5 Meeting could be held in person, by telephone or by video conference. Members of the Committee may participate in a meeting by means of which all persons participating in the meeting are capable of hearing each other.

3.6 Without prejudice to any requirement under the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, a resolution in writing 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.

### **4. NOTICE OF MEETINGS**

4.1 A meeting of the Committee may be convened by any of its members or by the Company Secretary.

4.2 Unless otherwise agreed by all the members of the Committee, notice of at least 14 days shall be given for a regular meeting of the Committee. For all other meetings of the Committee, reasonable notice shall be given.

4.3 Agenda and accompanying supporting papers shall be sent to all members of the Committee and to other attendees as appropriate at least 3 days before the date of the meeting (or such other period as the members may agree).

### **5. MINUTES AND RECORDS**

5.1 Proper minutes of Committee meetings shall be kept by the Company Secretary and shall be open for inspection by any Director at any reasonable time on reasonable notice by the Director.

5.2 Minutes of Committee meetings shall record in sufficient detail the matters considered by the Committee and decision reached, including any concerns raised by the Committee members or dissenting views.

5.3 Draft and final versions of minutes shall be circulated to all Committee members for their comment and records, within a reasonable time after the meeting is held.

## **6. ANNUAL GENERAL MEETINGS**

6.1 The Chairman of the Committee shall endeavor to attend the Annual General Meetings of the Company and be prepared to respond to any shareholder questions on the Committee's work and responsibilities.

6.2 If the Chairman of the Committee is unable to attend an Annual General Meeting of the Company, he shall arrange for another member of the Committee, or failing this, his duly appointed delegate, to attend in his place. Such person shall be prepared to respond to any shareholder questions on the Committee's work and responsibilities.

## **7. RESPONSIBILITIES**

The responsibilities of the Committee shall include such responsibilities set out in the relevant code provisions of the Corporate Governance Code (the "CG Code") as contained in Appendix 15 of the Listing Rules (as amended from time to time). Without prejudice to any requirement under the CG Code, the Committee shall have the following responsibilities:

7.1 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.

7.2 To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.

7.3 Either:

(i) To determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or

(ii) To make recommendations to the Board on the remunerations packages of individual executive Director 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.

7.4 To make recommendations to the Board on the remuneration of non-executive Director.

7.5 To consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group.

7.6 To review and approve compensation payable to executive Directors and senior management for any loss of termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive.

7.7 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.

7.8 To ensure that no Director or any of his associates is involved in deciding his own remuneration.

## **8. AUTHORITY**

The authorities of the Committee shall include such authorities set out in the relevant code provisions of the CG Code as contained in Appendix 15 of the Listing Rules (as amended from time to time). Without prejudice to any requirement under the CG Code, the Committee shall have the following authorities:

8.1 All members of the Committee shall have access to the advice and services of the Company Secretary with a view to ensuring that procedures of the Committee and all applicable rules and regulations are followed, and separate and independent access to the Company's senior management for obtaining necessary information.

8.2 Any member of the Committee shall have separate and independent access outside legal or other independent professional advice in connection with his/her duties at the Company's expense upon reasonable request to the Chairman of the Committee and the Chairman of the Company.

8.3 The Committee shall be provided with sufficient resources to perform its duties.

## **9. REPORTING RESPONSIBILITIES**

9.1 The Committee Chairman shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

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