



# UPBEST GROUP LIMITED

## 美建集團有限公司\*

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 335)**

**(the "Company")**

### **REVISED TERMS OF REFERENCE OF REMUNERATION COMMITTEE (the "Committee")**

(The Chinese version is for reference only, the English version prevails)

#### **Membership and Secretary**

1. The Committee shall consist of at least three directors with a majority of independent non-executive directors ("INEDs") appointed by the board of directors (the "Board") from time to time.
2. The Board shall nominate one of the INEDs as the Chairman of the Committee. In the absence of the Chairman of the Committee, the remaining INEDs present shall elect one of them to chair the meeting.
3. The Board may at any time remove, suspend or replace any member of the Committee at its option by resolution where upon the Committee should consist of the remaining or replaced members of the Committee.
4. The Company Secretary or a nominee shall act as the Secretary of the Committee.

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

5. The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.
6. The Chairman of the Committee may convene additional meetings at his/her discretion.
7. The quorum of a meeting shall be two INEDs who are members of the Committee.
8. The Committee may, from time to time, invite independent advisors to the meeting, including but not limited to external advisors or consultants to advise its members.
9. The Chairman of the Board, the Executive Directors and any members of the Group may also attend the Committee meetings, if invited, provided that they must not be in

attendance when their own respective remuneration packages are being discussed.

10. Any members of the Committee or other attendees may participate in a meeting of the Committee by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.

### **Annual General Meeting**

11. The Chairman of the Committee or a nominee of members shall attend the Annual General Meeting of the Company and be prepared to respond to shareholders' questions on the activities of the Committee.

### **Duties, powers and functions**

12. The Committee shall –

- (a) formulate remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, employment conditions, and responsibilities, and individual performance of the directors, senior management, and the general staff. Performance shall be measured against corporate goals and objectives resolved by the Board from time to time; and implement the remuneration policy laid down by the Board;

- (b) without prejudice to the generality of the foregoing:

- (i) establish guidelines for the recruitment of the Chief Executive and senior management;
- (ii) recommend to the Board the policy and structure for the remuneration of Directors (including Non-executive Directors, and the Chief Executive as an ex-officio member) and senior management whilst ensuring no director or any of his/her associates is involved in deciding his/her own remuneration;
- (iii) determine the remuneration of Executive Directors and senior management, including benefits in kind, pension right, compensation payment (including compensation for loss of office or appointment etc). The Chairman and/or the Chief Executive shall be consulted respectively about their proposals relating to the remuneration of the Chief Executive and/or senior management, as the case may be;
- (iv) review and approve the compensation arrangements in connection with any loss or termination of their office or appointment, or dismissal or removal for misconduct to executive directors and senior management which shall be fair and not excessive;
- (v) determine the criteria for assessing employee performance, which should reflect the Company's business objectives and targets;

- (vi) consider the annual performance bonus for Executive Directors, senior management, and the general staff, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendation to the Board;
  - (vii) engage such external independent professional advisors to assist and/or advise the Committee on issues as it considers necessary;
  - (viii) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board;
  - (ix) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation; and
  - (x) review annually its terms of reference and performance and recommend any changes it considers necessary to the Board for approval.
13. The Committee shall be provided with sufficient resources to enable it to perform its function, including the resources for seeking independent professional advice.

#### **Reporting Procedures**

14. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report the findings and recommendations of the Committee to the Board.

#### **Availability and update of the terms of reference**

15. These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and change in regulatory requirements (e.g. Listing Rules) in Hong Kong. These terms of reference shall be made available to the public through the Company's website.

Adopted in July 2005 and revised in March 2012.

*\* For identification purpose only*