



# HSIN CHONG GROUP HOLDINGS LIMITED

新昌集團控股有限公司

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 00404)

## REMUNERATION COMMITTEE

### TERMS OF REFERENCE

#### 1. CONSTITUTION

On 19 April 2005, the board of directors (the “Board”) of Hsin Chong Group Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) resolved to approve the establishment of a committee of the Board known as the remuneration committee (the “Committee”) with effect from 1 April 2005.

#### 2. OBJECTIVE AND ROLE

The primary objective of the Committee is to ensure that there is a formal and transparent procedures for setting remuneration policy for the Directors and senior management.

#### 3. AUTHORITY

3.1 The Committee is authorised by the Board to make investigation within the scope of its duties and responsibilities it deems appropriate. It is authorised to seek any information it requires from any officer or employee of the Company and/or the Group and such officer and employees are directed to co-operate with any request made by the Committee.

3.2 The Committee is authorised by the Board to engage any independent professional advisors to provide independent counsel and advice as the Committee deems appropriate.

3.3 The Committee should be provided with sufficient resources to perform its duties.

#### 4. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall, in addition to those delegated to the Committee by the Board from time to time, shall be:

- (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 transparent 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) 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 remuneration packages of individual executive directors and senior management.

This includes 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 arrangement, relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

- (h) to delegate such of its powers the Committee deems appropriate to the management; and
- (i) to ensure that no Director or any of his associates is involved in deciding his own remuneration.

The Committee should consult with the chairman or deputy chairman of the Board about their remuneration proposals for other executive Directors before the Committee makes recommendations on such matters to the Board. The Committee shall report back to the Board on their decisions.

## **5. MEMBERSHIP**

- 5.1 The members of the Committee shall be appointed by the Board and a majority of whom shall be independent non-executive Directors.
- 5.2 A member must be able to exercise independent judgement when performing his duties. The Board can consider a Director independent if any relationship he may have would not materially interfere with the exercise of his independent judgement as a Committee member.
- 5.3 The chairman of the Committee shall be appointed by the Board.

## **6. MEETINGS**

- 6.1 The Committee shall meet at such times as it shall decide from time to time and shall have power to regulate the conduct of and to fix dates and times as well as the place for its own meetings.
- 6.2 A member of the Committee may, and the secretary of the Company on the request of such member shall, at any other time convene a meeting of the Committee.
- 6.3 The Committee may instruct any officer or employee of the Company or the Group to attend any meeting and provide pertinent information as necessary.
- 6.4 The quorum for meetings shall be two members. Questions arising at any meeting of the Committee shall be decided by a majority of votes, and in case of an equality of votes, the chairman of the Committee shall have a second or casting vote.

- 6.5 Minutes of the meetings of the Committee shall be circulated to all members of the Committee and the Board and made available upon request to other members of the Board.
- 6.6 Should the Committee thinks fit, all matters to be discussed or transacted at a meeting of the Committee can be conducted by circulation of relevant resolutions to all Committee members. A written resolution signed or otherwise agreed in writing by all members of the Committee shall be as valid and effective for all purposes as if the same had been duly resolved at meetings duly convened and held.
- 6.7 Save as provided in this clause 6, 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.

## **7. REPORTING**

- 7.1 The Committee shall report to the Board on its proceedings after each meeting and make recommendations to the Board it deems appropriate, if any.
- 7.2 The Committee shall submit to the Board the remuneration packages of executive Directors determined by it for the Board's approval.

Hong Kong, 28 April 2016