



英皇文化產業集團有限公司
Emperor Culture Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 491)
(the “Company”)

REMUNERATION COMMITTEE - TERMS OF REFERENCE

The board of directors of the Company (“**Board**” or “**Directors**”) has resolved to establish a Committee of the Board known as the Remuneration Committee (“**Committee**”) on 26 October 2005.

1. MEMBERSHIP

- 1.1 The majority of the members of the Committee (“**Members**”) shall be independent non-executive Directors.
- 1.2 The Chairman/Chairperson of the Committee shall be appointed by the Board and he/she shall be an independent non-executive Director.
- 1.3 The Company Secretary or her nominee shall act as the Committee’s Secretary. The Committee may, from time to time, appoint any other person with the appropriate qualification and experience as secretary of the Committee.

2. MEETINGS

- 2.1 The Committee shall meet at least once a year. Additional meetings shall be held as the work of the Committee demands.
- 2.2 A quorum of the meeting shall be two Members.
- 2.3 Proceedings of the Committee’s meetings shall be governed by the Company’s Bye-laws.
- 2.4 Full minutes of the Committee’s meetings shall be kept by the Secretary of the Committee, and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.

2.5 Minutes of meetings of the Committee shall record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by Members or dissenting views expressed. Draft and final versions of minutes of the meetings should be sent to all Members for their comment and records respectively, within a reasonable time after the meetings being held.

3. DUTIES, POWER AND FUNCTION

3.1 The Committee shall be provided with sufficient resources to perform its duties. At the invitation of the Chairman/Chairperson of the Committee, the chairman of the Board and/or executive Directors, external advisers and other persons may be invited to attend meetings.

3.2 The Committee should consult the Chairman/Chairperson of the Board and/or chief executive and/or the Head of Human Resources Department about their remuneration proposals for other executive Directors.

3.3 The Committee can seek independent professional advice in accordance with the procedures agreed by the Board from time to time and request the attendance of any external professional with relevant experience and expertise if it considers necessary.

3.4 The Committee shall:-

- (a) make recommendations to the Board on the Company's policy and structure for remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) make recommendations to the Board on the remuneration of non-executive Directors and the remuneration packages of individual executive Directors and senior management and take into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (d) review and recommend to the Board the 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;

- (e) review and recommend to the Board the 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;
- (f) ensure that no Director or any of his / her associates is involved in deciding his/her own remuneration;
- (g) advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**");
- (h) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (i) 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 laws, rules and/or legislation.

3.5 The Committee shall report back to the Board at the next Board meeting following a Committee's meeting or by circulation of the minutes of such Committee's meeting unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

4. **GENERAL**

4.1 The terms of reference of the Committee shall be made available on the websites of The Stock Exchange of Hong Kong Limited and the Company.

4.2 In case of discrepancies or inconsistencies between the English and Chinese versions of these terms of reference, the English version shall prevail.

Note: "Senior management" refers to the same category of persons as referred to in the Company's annual report and is required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules.