



## MODERN LAND (CHINA) CO., LIMITED

當代置業（中國）有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 1107)

(the “Company”)

### REMUNERATION COMMITTEE – TERMS OF REFERENCE

In compliance with the code provisions of the Corporate Governance Code set out in Appendix 14 to the Rules (the “**Listing Rules**”) Governing the Listing of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), a remuneration committee (the “**Committee**”) was established with these terms of reference adopted by the board of directors (the “**Board**”) of the Company on 14 June 2013 and amended on 12 June 2018.

#### 1. Members

- 1.1 The Committee shall be established by the Board.
- 1.2 Not less than two thirds of the Committee members shall be independent non-executive directors. The Committee must comprise at least three members, and the quorum necessary for the transaction of business of the Committee shall be two members.
- 1.3 The Committee must be chaired by an independent non-executive director who shall be nominated by the nomination committee of the Company and appointed by the Board.
- 1.4 The term of appointment of Committee members shall be determined by the Board at the appointment date; the term of each member should not exceed three years; members shall be eligible for re-election.

#### 2. Secretary

- 2.1 The company secretary of the Company shall act as the secretary of the Committee.
- 2.2 The Committee may from time to time appoint any other person with appropriate qualification and experience to act as the secretary of the Committee.

#### 3. Meeting

- 3.1 The Committee shall meet at least once a year. Additional meeting may be held if the Committee considers that is necessary.
- 3.2 Meetings can be attended in person or via electronic means including telephone or videoconferencing.

- 3.3 Resolutions of the Committee shall be passed by more than half of the members of the Committee.
- 3.4 Resolutions in writing signed by all the members of the Committee shall be as valid and effectual as it had been passed at a meeting of the Committee duly convened and held.
- 3.5 Full minutes of Committee should be kept by a duly appointed secretary of the Committee. Draft and final versions of minutes of the meeting should be sent to all members of the Committee for their comment and record respectively within a reasonable time after the meeting.

#### **4. Meeting attendance**

- 4.1 Upon the invitation from the Committee, the chairman or chairlady of the Board and/or the general manager or the chief executive officer, external advisor and other persons can be invited to attend all or part of any meeting.
- 4.2 Only the members of the Committee can vote in a meeting of the Committee.

#### **5. Annual General Meeting**

- 5.1 The chairman or chairlady of the Committee or (if absent) one other member of Committee (who must be an independent non-executive director) should attend the annual general meetings of the Company and handle the shareholders' enquiry on the activities and responsibilities relating to the Committee at such meetings.

#### **6. Duties and Powers**

The Committee shall have the following duties and powers:

- 6.1 to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment);
- 6.2 to consider salaries paid by comparable companies, time commitment and responsibilities in determination, adjustments and revision of remuneration packages of directors and senior management;
- 6.3 to assist in the establishment of formal and transparent procedures for developing remuneration policy and make recommendations to the Board;
- 6.4 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives, including any form of incentives and adjustments of remuneration proposals and plans;
- 6.5 to consult the chairman or chairlady of the Board in respect of remuneration proposals of independent non-executive directors and present the same to the Board for approval;

- 6.6 to monitor the implement of any remuneration and incentive proposals or plans approved by the Board, and from time to time propose amendment to the proposals or plans as appropriate;
- 6.7 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;
- 6.8 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; and
- 6.9 to ensure that no director or any of his associates is involved in deciding his own remuneration;
- 6.10 in performing its functions, the Committee should:
  - a. consider providing attractive remuneration packages to retain and motivate qualified directors and senior management;
  - b. make assessment of remuneration mechanism of the Company by comparing to remuneration mechanisms of other companies in the industry. The Committee should have knowledge of the levels of remuneration offered by other companies in the industry and make recommendations by reference to the Company's performance;
  - c. ensure salaries related to performance constitutes an important part of remuneration packages of executive directors and senior management, and should make arrangements closely linking the interests with interests of shareholders, in order to maximise performance; and
  - d. ensure that the share option scheme is formulated and implemented in compliance with the requirements of Chapter 17 of the Listing Rules.

## **7. Reporting**

- 7.1 The Committee shall report to the Board after each of its meeting.

## **8. Authority**

- 8.1 The Committee is authorised to request the senior management of the Company to provide any required resources or information related to the remuneration package to perform its duties.
- 8.2 The Committee should have access to independent professional advice at the Company's expense if necessary in order to perform the responsibilities of the Committee.

*Remark: Arrangements on seeking independent professional advice can be made through company secretary.*

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

*Remark: "Senior management" refers to the persons referred to in the Company's prospectus or the interim/ annual report of the Company (whichever is the latest) as senior management of the Company. It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the Company's directors, is appropriate.*

## **9. Company Information**

9.1 The Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on the websites of the Stock Exchange and the Company.