



**GUANGDONG INVESTMENT LIMITED**  
**(粵海投資有限公司)**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 0270)**

**Remuneration Committee – Terms of Reference**

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**1. Purpose**

The Remuneration Committee is to assist the board (the “Board”) of directors of the Company to develop formal and transparent procedure for setting policy on the remuneration of all the directors of the Company (the “Directors”) and the senior management of the Company, and is authorised by the Board to determine the remuneration packages for individual executive Director and senior management.

**2. Membership**

- 2.1 The Remuneration Committee shall be appointed by the Board.
- 2.2 The Remuneration Committee shall consist of a minimum of 3 members (“Members”), of whom the majority shall be independent non-executive Directors.
- 2.3 The Chairman of the Remuneration Committee shall be appointed by the Board and must be an independent non-executive Director.

**3. Secretary**

- 3.1 The Company Secretary of the Company shall be the secretary of the Remuneration Committee.
- 3.2 In the absence of the Company Secretary, his/her representative or any one Member shall be the secretary of the Remuneration Committee meetings.

**4. Meetings**

- 4.1 The meetings and proceedings of the Remuneration Committee shall be governed by the provisions contained in the articles of association of the Company for regulating meetings and proceedings of the Board.
- 4.2 The Remuneration Committee shall meet at least once a year.

- 4.3 Notice of the meetings of the Remuneration Committee shall be given to a Member if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose.
- 4.4 The quorum for meetings of the Remuneration Committee shall not be less than half of the total number of Members.
- 4.5 Members may participate in a meeting in person, or by means of a conference telephone or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously.
- 4.6 Resolutions at meetings shall be passed by a majority of votes of all the Members present.
- 4.7 A resolution in writing signed by all Members shall be as valid and effectual as a resolution passed at a meeting of the Remuneration Committee.
- 4.8 Draft and final versions of minutes shall be sent to all members for their comment and records respectively.
- 4.9 Minutes of the Remuneration Committee meetings shall be kept by the appointed secretary of the meetings. Such minutes shall be open for inspection upon reasonable notice given by any Director.
- 4.10 At the invitation of the Remuneration Committee, the Chairman of the Board and/or the Managing Director shall attend the meeting of the Remuneration Committee to appraise the performance of executive Directors and senior management as well as to make recommendations to the Remuneration Committee, if required.

## **5. Reporting**

- 5.1 The Remuneration Committee shall report to the Board on its work (including its decisions and recommendations) from time to time as appropriate and in any event not less than once every year.

## **6. Annual General Meeting**

- 6.1 The Chairman of the Remuneration Committee or another Member of the Remuneration Committee shall attend the Company's Annual General Meeting and be prepared to respond to shareholders' questions on the Remuneration Committee's activities and responsibilities.

## **7. Authority**

- 7.1 The Remuneration Committee is authorised by the Board to seek any remuneration related information it requires from the senior management in order to perform its responsibilities.
- 7.2 The Remuneration Committee is authorised by the Board to obtain independent professional advice and to secure the attendance of external advisers with relevant experience and expertise if it considers this necessary.
- 7.3 The Remuneration Committee should be provided with sufficient resources to perform its responsibilities.

## **8. Responsibilities**

The responsibilities of the Remuneration Committee shall be:

- 8.1 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;
- 8.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 8.3 to determine, with delegated responsibility, the remuneration packages of individual executive Directors 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;
- 8.4 to make recommendations to the Board on the remuneration of non-executive Directors;
- 8.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 8.6 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;
- 8.7 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;

- 8.8 to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- 8.9 to consult the Chairman of the Board and/or the Managing Director about their remuneration proposals for other executive Directors and senior management; and
- 8.10 to consider other topics as defined by the Board.

Note: For the purpose of these terms of reference, “senior management” should refer to the same category of persons as referred to in the Company’s annual report.

*These terms of reference were established on 28 June 2005 pursuant to the then Code on Corporate Governance Practices with the last revision approved by the Board of Directors of the Company effective on 19 March 2012.*