



Great Eagle  
Holdings Limited  
鷹君集團有限公司

**TERMS OF REFERENCE  
REMUNERATION COMMITTEE  
Adopted on 27 February 2012**

**1. Establishment of the Committee**

The board of directors (the “Board”) of Great Eagle Holdings Limited (the “Company”) established a Remuneration Committee (the “Committee”) on 8 March 2004.

**2. Objectives for the establishment**

In accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the Committee was established with an objective to set up formal and transparent procedures for setting policy on Executive Directors’ remuneration and for fixing the remuneration packages for all directors and senior management and to ensure remuneration levels should be sufficient to attract and retain directors to run the company successfully without paying more than necessary.

**3. Composition of the Committee**

The members of the Committee shall be appointed by the Board and shall consist of not less than three Independent Non-Executive Directors. A majority of the members of the Committee shall be Independent Non-Executive Directors. The Chairman of the Committee shall be an Independent Non-Executive Director.

**4. Secretary of the Committee**

The secretary of the Committee shall be appointed by the Board and shall be responsible for matters relating to Committee meetings and keeping minutes.

## **5. Meetings and Quorum**

- 5.1 The quorum for a Committee meeting shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee. In the absence of the Committee Chairman, the Committee members present shall elect one of their number to chair that meeting.
- 5.2 Board members shall attend the meetings if invited by the Committee.
- 5.3 The Committee may convene a meeting as and when necessary, but in any case, not less than once a year.
- 5.4 For regular meetings, and as far as practicable in all other cases, an agenda and accompanying board papers should be sent, in full, to all members of the Committee in a timely manner and at least 3 days before the intended date of a Committee meeting (or such other agreed period).
- 5.5 The place of the Committee meeting shall be the conference room of the Company (or such other place as agreed by the Committee). Meetings of the Committee may be held by telephone conference if required.
- 5.6 Minutes of Committee meetings should record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by Committee members or dissenting views expressed. Draft and final versions of minutes of Committee meetings should be sent to all members of the Committee for their comment and records respectively, within a reasonable time after the meeting is held.
- 5.7 Full minutes of Committee meetings should be kept by the Committee secretary. Committee members are entitled to have access to the minutes.

## **6. Responsibilities of the Committee**

- 6.1 The Committee is a standing committee under the Board. It discharges its duties under the terms of reference so delegated by the Board, and reports and makes recommendations to the Board.

- 6.2 The Committee shall 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.
- 6.3 The Committee shall review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- 6.4 The Committee shall consult the Chairman and Managing Director about their remuneration proposal for other Executive Directors.
- 6.5 The Committee shall have the delegated responsibility to determine 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.
- 6.6 The Committee shall make recommendations to the Board on the remuneration of Non-Executive Directors.
- 6.7 The Committee shall consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group.
- 6.8 The Committee shall 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.
- 6.9 The Committee shall 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.
- 6.10 The Committee shall ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.
- 6.11 In addition to the above, the Committee shall have the delegated responsibility to determine the Company's policy and structure for the remuneration of general staff members.

6.12 The Committee shall decide on the grant of share options to the employees of the Company and its subsidiaries under such Share Option Scheme or other share incentive scheme as may be from time to time adopted by the Company.

6.13 The Committee shall consider other matter, as delegated by the Board from time to time.

## **7. Authority of the Committee**

7.1 The Committee is authorized by the Board to investigate any activity within its terms of reference.

7.2 The Committee is authorized by the Board to invite relevant personnel within the Company to attend Committee meetings, and to obtain any information that it requires from any department of the Company if it considers necessary, such that the Committee will be provided with sufficient resources to discharge its duties.

7.3 The Committee is authorized by the Board to obtain information that it requires from relevant department(s) of the Company regarding the remuneration of directors and senior management and surveys made on market remuneration level, if it considers necessary, in order to discharge its duties.

7.4 The Committee is authorized by the Board to seek external legal or other independent professional advice and if it considers necessary, and to invite outside parties with relevant experience and expertise to attend meetings, at the Company's expense.

7.5 The Committee is authorized by the Board to establish sub-committee. All acts done by the sub-committee as authorized shall have the like force and effect, as if done by the Committee. The Committee will be responsible for all such acts and report to the Board.

## **8. Others**

8.1 The Chairman of the Committee should attend the Annual General Meeting of the Company or in the absence of the Chairman of the Committee, another member of the Committee or failing this his duly appointed delegate, to be available to answer questions raised by the shareholders.

- 8.2 The Committee may from time to time refer to the applicable rules and regulations as required under the Listing Rules and the general market practice to make recommendations to the Board for revision of the terms of reference of the Committee.
- 8.3 The rules and proceedings of Committee meetings shall be governed by the provisions contained in the Company's Bye-laws for regulating the meetings and proceedings of directors.
- 8.4 The Committee shall include its terms of reference on the Hong Kong Stock Exchange's website and the Company's website and make such information available on request.

Dated: 27 February 2012