



**世纪阳光**

**CENTURY SUNSHINE GROUP HOLDINGS LIMITED**

**世紀陽光集團控股有限公司**

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

**TERMS OF REFERENCE  
FOR  
REMUNERATION COMMITTEE**

**CENTURY SUNSHINE GROUP HOLDINGS LIMITED**  
**世紀陽光集團控股有限公司**  
**(the “Company”)**

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## **REMUNERATION COMMITTEE**

The board of directors of Century Sunshine Group Holdings Limited (the “Director(s)”) (the “Board”) resolved at a meeting on 9 December 2005 to establish a committee of the Board to be known as the remuneration committee (the “Remuneration Committee”).

The terms of reference for the Remuneration Committee was approved and adopted by the Board on 9 December 2005 and revised on 23 March 2012. The revised version of the terms of reference of the Remuneration Committee (the “Terms of Reference”) shall supersede any terms of reference previously adopted by the Board.

### **1. MEMBERSHIP**

- 1.01 The members of the Remuneration Committee (the “Member(s)”) shall be appointed by the Board from among the members of the Board, the majority of which are independent non-executive Directors.
- 1.02 The Remuneration Committee shall have a minimum of three Members. A quorum shall be three Members, one of which shall be the chairman of the Remuneration Committee (the “Chairman”).
- 1.03 The Chairman shall be appointed by the Board from time to time and should be an independent non-executive Director.
- 1.04 The Remuneration Committee shall be chaired by the Chairman who should possess adequate knowledge in the field of executive compensation, failing which the Remuneration Committee should have access expert advice outside the Company.
- 1.05 Any Member who wishes to retire or resign from the Remuneration Committee shall notify the Board in writing giving three months’ notice or such a shorter notice as may be agreed by the Board.
- 1.06 Any Member who no longer is the member of the Board shall be removed from the Remuneration Committee accordingly.
- 1.07 Any vacancy of the Remuneration Committee shall be replaced within two months in the event that the aforesaid terms of 1.01 and 1.02 could not be met.

### **2. ATTENDANCE AT MEETINGS**

- 2.01 The Member may participate in any Remuneration Committee meeting via telephone conference or such other telecommunication manners as they think fit without physically participation in the Remuneration Committee meetings.
- 2.02 The company secretary of the Company (the “Company Secretary”) shall be the secretary of the Remuneration Committee. Where the Company Secretary is also an executive Board member, the Company Secretary can only attend meetings of the Remuneration Committee in the capacity as the Company Secretary, and not as an executive Board member.
- 2.03 A Member shall not vote in respect of any matters or proposal whatsoever in which he has any interest, directly or indirectly. A Member shall not be counted in the quorum at the Remuneration Committee meeting in relation to any resolution

on which he is debarred from voting.

- 2.04 A written resolution signed by all the Members shall be as effective as a resolution duly passed at the Remuneration Committee meeting and may consist of several documents in the like form, each signed by one or more Members.

### **3. FREQUENCY OF MEETINGS**

- 3.01 The Remuneration Committee meeting shall be held at least once a year.
- 3.02 The Remuneration Committee may meet together for the dispatch of business, adjourn or otherwise regulate their meetings as they think fit. At anytime, any Member may summon the Remuneration Committee meeting by issuing at least 5 clear business days' notice in writing to each and every Member. The expression "in writing" includes those in the form of mail, fax, electronic mail or telegram.
- 3.03 The Members may however, by unanimous consent, waive the aforesaid 3.02 and allow for a shorter period of notice.

### **4. CONDUCT OF MEETINGS**

- 4.01 All the recommendations of the Remuneration Committee shall be made unanimously and thereafter put to the Board for approval. In the event that there is no unanimity over any issue, all conflicting views shall be submitted to the Board for its final decision.
- 4.02 No Director shall participate in decisions on his/her own remuneration.

### **5. AUTHORITY**

- 5.01 The Remuneration Committee, being a committee of the Board, shall conform to any regulation, which may be from time to time imposed by the Company.
- 5.02 The Remuneration Committee should consult the chairman of the Company and/or the chief executive about their remuneration proposals for other executive Directors. The Remuneration Committee should have access to independent professional advice if necessary.
- 5.03 The Remuneration Committee should be provided with sufficient resources to perform its duties.
- 5.04 To retain such professional consultancy firm as the Remuneration Committee may deem necessary to enable it to discharge its duties hereunder satisfactorily.
- 5.05 Where the Board resolves to approve any remuneration or compensation arrangements which the Remuneration Committee has previously resolved not to approve, or vice versa, the Board must disclose the reasons for its resolution in its next annual report.
- 5.06 The Remuneration Committee shall initiate amendments to its Terms of Reference when the need arises due to changes in regulation governing corporate governance. Any Director may give instructions for such amendments to the Terms of Reference, as he deem fit, by reason of changes in the Company's structure, organization and/or operations which affect the matters set out in the Terms of Reference.

5.07 Amendment to the Terms of Reference shall be submitted to the Remuneration Committee for consideration and tabled at a Board meeting for approval.

## **6. DUTIES**

The duties of the Remuneration Committee 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) 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 and 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 Company and its subsidiaries;
- (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 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;
- (h) to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (i) to advise shareholders of the Company on how to vote with respect to any service contracts of Directors that require shareholders' approval;
- (j) to ensure the disclosure requirements in respect of remuneration matter in compliance with the rules and regulations set by the relevant regulatory bodies such as The Stock Exchange of Hong Kong Limited from time to time and ensure that there is adequate disclosures in the financial statements or annual report to ensure and enhance transparency between the Company and the relevant interested parties; and
- (k) to carry out such other duties as may be agreed to by the Remuneration Committee and the Board.

## **7. REPORTING PROCEDURES**

7.01 Each Remuneration Committee meeting shall be properly recorded and upon confirmation of such minutes by the Chairman, a copy of the confirmed minutes

shall then be duly circulated to all Members for approval.

7.02 The secretary of the Remuneration Committee shall circulate the confirmed minutes of all meetings of the Remuneration Committee to all members of the Board.

7.03 The minute's book of the Remuneration Committee shall be kept by the Company Secretary and shall be available for inspection by any Directors.

## **8. LANGUAGE VERSION**

The Terms of Reference have been issued in the English language with a separate Chinese language translation. In the event that there is any conflict between the English language version and the Chinese language version, the English language version shall prevail.

## **9. PUBLICATION OF THE TERMS OF REFERENCE**

The Terms of Reference will be posted on the websites of The Stock Exchange of Hong Kong Limited and the Company. It is also available at the Company's principal place of business in Hong Kong open for inspection by the shareholders during normal business hours. A copy of the Terms of Reference will be made available to any person without charge upon request.