

## **NANYANG HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 212)

### **REMUNERATION COMMITTEE - TERMS OF REFERENCE**

*(Adopted by the Board on 30 June 2005, revised on 7 December 2005, 7 May 2012 and 18 May 2012, and further revised on 2 September 2015)*

#### **Constitution**

1. The Remuneration Committee was established by the Board on 25 May 2005.

#### **Membership**

2. The Committee should consist of not less than three members with a majority of independent non-executive directors. Quorum of meeting should not be less than two members.
3. The Company Secretary shall act as the secretary of the Committee.

#### **Frequency of Meetings**

4. The Committee shall meet at least once per annum.

#### **Duties**

5. The duties of the Committee shall include the following:
  - (a) to review the Company's remuneration and human resources policy in relation to senior management and executive directors;
  - (b) to consult the Managing Director about the remuneration proposals for other executive directors and senior management and have access to independent professional advice if necessary;
  - (c) to make recommendation 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;

- (d) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management, or to make recommendations to the Board on the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and to make recommendations to the Board on the remuneration of non-executive directors. The Committee should consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (e) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (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; and
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration.

#### **Authority**

- 6. The Committee shall have access to such information and advice, both from within the Group and externally, as it deems necessary.
- 7. The Committee shall have rights to obtain legal and other independent professional advice as it considers this necessary.

#### **Reporting Procedures**

- 8. The secretary shall circulate the minutes of all meetings of the Committee to all members of the Board.
- 9. Committee Chairman, failing him, a member of the Committee shall be available to attend the annual general meeting of the Company to answer questions relating to executive director and senior management remuneration and benefits.