

**EXCEL DEVELOPMENT (HOLDINGS) LIMITED**

怡益控股有限公司

(“**Company**”)

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Terms of reference of the Remuneration Committee (“**Committee**”)  
of the Board of Directors (“**Board**”) of the Company

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**1. Constitution**

1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on 21 November 2013.

**2. Membership**

2.1 Members of the Committee (the “**Members**”) shall be appointed by the Board from amongst the members of the Board and shall consist of not less than three members. Majority of members of the Committee shall be independent non-executive directors of the Company. If a Member shall cease to assume the responsibilities of a director of the Company (the “**Director**”), that member shall automatically lose the qualifications as a Member and if this results in the number of Members to fall below the minimum, the Board shall appoint a new Member to complement the number of Members in the Committee.

2.2 The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board and shall be an independent non-executive director.

2.3 The company secretary of the Company shall be the secretary of the Committee who should attend all meetings of the Committee. The Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary.

2.4 Each Member shall disclose to the Committee:

- (a) any personal financial interest (other than as a Shareholder) in any matter to be decided by the Committee; or
- (b) any actual or potential conflict of interest arising from a cross-directorship.

Any such Member shall abstain from voting on resolutions of the Committee in relation to which such actual or potential conflict of interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Committee.

### **3. Proceedings of the Committee**

#### **3.1 Notice:**

- (a) Unless otherwise agreed by all the Committee members (either orally or in writing), a meeting shall be called by at least seven days' notice.
- (b) A Committee member may and, on the request of a Committee member, the secretary to the Committee shall, at any time summon a Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine.
- (c) In respect of regular meetings of the Committee to be held as mentioned in clause 3.3 below, and so far as practicable for all other meetings of the Committee, the agenda and accompanying papers shall be sent to all the members of the Committee in a timely manner and at least 3 days before the intended date of the meeting of the Committee (or such other period as all the Committee members may agree).
- (d) Senior management is obliged to supply the Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable provided voluntarily by senior management. Where a Member requires more information than is volunteered by senior management, the relevant Member should make additional necessary enquiries. Each Member shall have separate and independent access to senior the senior management.

**3.2 Quorum:** The quorum of the Committee meeting shall be two members of the Committee and a majority of which shall be the independent non-executive directors.

- 3.3 **Frequency:** Meetings shall be held at least once every year.
- 3.4 No Committee member may vote on any resolution of the Committee regarding his own remuneration.
- 3.5 Members of the Committee may participate in a meeting of the Committee by means of telephone conference or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.
- 3.6 Written resolutions may be passed by all Committee members in writing. This provision is without prejudice to any requirement under the Rules Governing the Listing of Securities (“**Listing Rules**”) of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) for a Board or Committee meeting to be held.

#### **4. Overriding principles**

- 4.1 Remuneration levels should be sufficient to attract and retain Directors to run the company successfully without paying more than necessary.
- 4.2 No Director should be involved in deciding his own remuneration.
- 4.3 The Committee should consult the Chairman and/or chief executive about their remuneration proposals for other executive Directors. The Committee should have access to independent professional advice if necessary.
- 4.4 The procedure for setting policy on executive Directors’ remuneration and all Directors’ remuneration packages should be formal and transparent.

#### **5. Authority of the Committee**

- 5.1 The Committee may exercise the following powers:
- (a) to review any proposed service contract with any Director or senior management before such contract is entered into and to make recommendation to the Company for any changes to the proposed terms of such contract;

- (b) to make recommendations regarding the remuneration, bonuses and welfare benefits of the executive Directors and the senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (c) to obtain outside legal or other independent professional advice at the cost of the Company on any matters within these terms of reference as it considers necessary;
- (d) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and
- (e) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 7 below can be properly discharged.

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

## **6. Duties**

6.1 The duties of the Committee shall be:

- (a) to make recommendations to the Board on the Company's policy and structure for the remuneration packages of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (b) to determine with delegated responsibility 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 make recommendations to the Board of the remuneration of non-executive Directors. The Committee should consider salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the group;
- (c) to consider what details of the Chairman's and the executive Directors', the non-executive Directors', the independent non-executive Directors' and the senior management members' remuneration/benefits should be disclosed in addition to

those required by law or the Listing Rules in the Company's annual report and accounts and how those details should be presented;

- (d) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives resolved by the Board from time to time;
- (e) 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;
- (f) 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;
- (g) to ensure that no Director or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration; and
- (h) to ensure the Chairman, or in the absence of the Chairman, another member of the Committee or failing this his duly appointed delegate, to be available to answer questions at the annual general meeting of the Company.

## **7. Reporting procedures**

- 7.1 The Committee shall report to the Board. At the next meeting of the Board following a meeting of the Committee, the Chairman shall report the findings and recommendations of the Committee to the Board.
- 7.2 Full minutes of the meetings of the Committee and all written resolutions of the Committee should be kept by the secretary of the Committee.
- 7.3 The secretary of the Committee shall circulate the draft and final versions of minutes of the meeting of the Committee or, as the case may be, written resolutions of the Committee to all members of the Committee for their comment and records respectively within a reasonable time after the meeting or the passing of the written resolutions.

7.4 The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meetings held during that financial year.

7.5 All Directors and Members shall be entitled to have access to these committee papers and related materials. These committee papers and related materials should be in a form and quality sufficient to enable the Committee to make informed decisions on matters placed before it. Queries raised by Members should receive a prompt and full response, if possible.

## **8. Shareholders' meeting**

The Chairman should, as far as practicable, attend the annual general meeting and make himself available to respond to any shareholder questions on the Committee's activities. In the absence of the Chairman, another Member or failing that a duly appointed delegate of such Chairman or Member should attend the annual general meeting. Unless authorized by the Board, Member(s) attending the Meeting shall have the duty to keep confidential all matters discussed at the Meeting and shall not disclose relevant information to outsiders.

## **9. Continuing application of the articles of association of the Company**

9.1 The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

## **10. Powers of the Board**

10.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee

which would have been valid if such terms of reference or resolution had not been amended or revoked.

- 10.2 The power to interpret these terms shall rest in Board. These terms of reference shall be made available to the public by including the information on the Company's website and the Stock Exchange's website.

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(If there is any inconsistency between the English and Chinese version of these terms of reference, the English version shall prevail.)