

Remuneration Committee Terms of Reference

1. Objectives

The Committee supports the Board as follows:

- 1.1 reviewing remuneration policies for directors and senior management; and
- 1.2 reviewing and recommending remuneration packages for directors and senior management, and ensuring that they commensurate with their qualifications and competencies and are appropriate in the best interests of the Company and its shareholders.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Board, where appropriate, in consultation with the Committee Chairman. The Committee shall be made up of at least three members.
- 2.2 Majority of members of the Committee shall be independent non-executive directors. The Chairman of the Board (unless he is an independent non-executive Chairman) shall not be a member of the Committee.
- 2.3 Only members of the Committee have the right to attend Committee meetings. Other individuals such as the Chairman of the Board, the Chief Executive Officer and Head of Human Resources, may be invited to attend all or part of any meeting as and when appropriate.
- 2.4 The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of the members to chair the meeting.

3. Secretary

The Committee Chairman shall nominate a secretary to the Committee.

4. Quorum

The quorum necessary for the transaction of business 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.

5. Frequency of Meetings

- 5.1 The Committee shall meet at least once a year and otherwise as required.
- 5.2 In-camera meeting, wherein the secretary is not present, may be called as either a stand-alone meeting or as a separate private meeting at the end of a regularly scheduled Committee meeting. Management may or may not be invited, at the discretion of the Committee Chairman. A resolution shall convene and terminate the in-camera meeting when called at the end of a regularly scheduled meeting. Any such resolutions shall be recorded in the minutes of the meeting. Matters discussed “in-camera” are not to be discussed outside the meeting by those in attendance.

6. Notice of Meetings

- 6.1 Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its members.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend at least 14 days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at least five clear days in advance of the meeting.

7. Minutes of Meetings

- 7.1 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 7.3 The secretary shall circulate the minutes of Committee meetings to all members of the Committee within a reasonable time (generally within 14 days) after each meeting and, once agreed, to all members of the Board.

8. Annual General Meeting

The Committee 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.

9. Duties

9.1 The Committee shall:

- 9.1.1 consider management recommendation, and determine the framework and broad policy for the remuneration, review and decide the remuneration (including performance-related pay schemes and long-term incentive arrangements) of the executive directors and senior management of the Company;
- 9.1.2 review the ongoing appropriateness and relevance of the remuneration framework and policy;
- 9.1.3 review and make recommendations to the Board on the fees of non-executive directors and Board committee members prior to approval at the Annual General Meeting;
- 9.1.4 ensure no director or any of his associates may be involved in any decisions as to his own remuneration;
- 9.1.5 consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- 9.1.6 agree the procedures for establishing a formal and transparent procedure for determining targets for any performance-related pay schemes for executive directors;
- 9.1.7 determine the policy for and scope of pension arrangements for each executive director;
- 9.1.8 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;
- 9.1.9 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;
- 9.1.10 within the terms of the agreed policy, determine the total individual remuneration package of each executive director including, where appropriate, bonuses, incentive payments and share options;
- 9.1.11 in determining such packages and arrangements, give due regard to the contents of applicable corporate governance codes as well as the Stock Exchange Listing Rules and associated guidance;

- 9.1.12 consider management recommendation for the introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval;
- 9.1.13 consider management recommendation for major changes to the rules of the Group's pension scheme, or changes of trustees or changes in the fund management arrangements;
- 9.1.14 consider management recommendation for key terms of new compensation and benefit plans (including separation programme), with a material financial, reputational or strategic impact;
- 9.1.15 ensure that provisions regarding disclosure of remuneration in the Company's annual report are fulfilled;
- 9.1.16 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 9.1.17 make available the Committee's terms of reference; and
- 9.1.18 when appropriate review and, where necessary, make recommendations to the Board for the updating of the Committee's terms of reference.

10. Reporting Responsibilities

- 10.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

11. Authority

The Committee is authorized to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference.

Definitions:

“**Board**” shall mean the board of directors of the Company.

“**Committee**” shall mean the Remuneration Committee of the Company.

“**Company**” shall mean Hysan Development Company Limited.

“**Group**” shall mean the Company and its subsidiaries.
