



CIAM Group Limited

事安集團有限公司

Terms of Reference for the Remuneration Committee

These terms of reference were approved and adopted by the resolutions of the board of directors of the Company (the “**Board**”) with effect from 7 July 2015.

1 Membership

- 1.1 Members of the Remuneration Committee should be appointed by the Board.
- 1.2 A majority of the members of the Remuneration Committee should be independent non-executive directors.

2 Chairman

- 2.1 The chairman of the Remuneration Committee should be appointed by the Board and must be an independent non-executive director of the Company.

3 Secretary

- 3.1 The company secretary should be the secretary of the Remuneration Committee.
- 3.2 In the absence of the secretary of the Remuneration Committee, the members present at the meeting of the Remuneration Committee should elect another person as the secretary.

4 Quorum

- 4.1 The quorum for meetings of the Remuneration Committee should be any two members.
- 4.2 A duly convened meeting of the Remuneration Committee at which a quorum is present at the time when the meeting proceeds to business and continues to be present until the conclusion of the meeting, should be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Remuneration Committee.

5 Frequency of meetings

- 5.1 The Remuneration Committee should meet at least once a year (“**regular meeting**”).



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6 Attendance at meetings

- 6.1 Members of the Remuneration Committee may attend meetings of the Remuneration Committee either in person or through electronic means of communication.

7 Notice of meetings

- 7.1 A meeting of the Remuneration Committee may be convened by any of its members, or by the secretary of the Remuneration Committee at the request of any of its members.
- 7.2 Unless otherwise agreed by all the members of the Remuneration Committee, notice of at least 14 days should be given of a regular meeting of the Remuneration Committee, and such notice should be sent to each member of the Remuneration Committee and to any other person invited to attend. For all other meetings of the Remuneration Committee, reasonable notice should be given.
- 7.3 For a regular meeting of the Remuneration Committee, and as far as practicable in all other cases, an agenda and accompanying supporting papers should be sent, in full, to all members of the Remuneration Committee and to other attendees as appropriate. These should be sent in a timely manner and at least 3 days before the intended date of the meeting (or other agreed period).
- 7.4 Any member of the Remuneration Committee should be entitled, by notice to the secretary of the Remuneration Committee, to include other matters relevant to the functions of the Remuneration Committee in the agenda of a Remuneration Committee meeting.

8 Minutes of meetings

- 8.1 The secretary of the Remuneration Committee (or his/her delegate) in attendance at the meetings of the Remuneration Committee should record in sufficient detail the matters considered and decisions reached at such meetings. The minutes should also include any concerns raised by any member of the Remuneration Committee and/or dissenting views expressed.
- 8.2 The secretary should ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Remuneration Committee should not be counted towards the quorum and he must abstain from voting on any resolution of the Remuneration Committee in which he or any of his associates has a material interest, unless the exceptions set out in note 1 to Appendix 3 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) apply.
- 8.3 Draft and final versions of minutes of Remuneration Committee meetings should be sent to all Remuneration Committee members for their comment and records respectively, within a reasonable time after the meeting. Once the minutes are signed, the secretary should circulate the minutes and reports of the Remuneration Committee to all members of the Board.
- 8.4 Minutes of the Remuneration Committee should be kept by the secretary of the Remuneration Committee and should be open for inspection by any member of the Remuneration Committee or the Board at any reasonable time on reasonable notice.



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9 Annual general meeting

- 9.1 The chairman of the Remuneration Committee or in his absence, another member of the Remuneration Committee or failing this, his duly appointed delegate, should attend the annual general meeting of the Company and be prepared to respond to questions at the annual general meeting on the Remuneration Committee's activities and their responsibilities.

10 Other regulations governing the meetings and proceedings of the Remuneration Committee

- 10.1 Unless otherwise specified above, the provisions contained in the Company's bye-laws for regulating meetings and proceedings of directors should apply to the meetings and proceedings of the Remuneration Committee.

11 Duties

The duties of the Remuneration Committee are as follows:-

- (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 make recommendations to the Board on 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. Where the Board resolves to approve any remuneration or compensation arrangements with which the remuneration committee disagrees, the Board should disclose the reasons for its resolution in its next corporate governance report;

- (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 group;
- (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.



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12 Reporting responsibilities

- 12.1 The Remuneration Committee should compile a report to shareholders on its role and work performed by it during the year, including determining the policy for the remuneration of executive directors, assessing performance of executive directors and approving the terms of executive directors' service contracts, for inclusion in the Company's Corporate Governance Report.
- 12.2 The Remuneration Committee should report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

13 Others

- 13.1 The Remuneration Committee should consult the Chairman of the Board and/or Chief Executive of the Company about their remuneration proposals for other executive directors.
- 13.2 The Remuneration Committee should be provided with sufficient resources to perform its duties.
- 13.3 All members of the Remuneration Committee should have access to the advice and services of the secretary of the Remuneration Committee with a view to ensuring that procedures of the Remuneration Committee and all applicable rules and regulations are followed.
- 13.4 The Remuneration Committee should have access to independent professional advice if necessary. In the event that the Remuneration Committee or any member of the Remuneration Committee requires access to outside independent professional advice in connection with its/his duties (e.g., legal advice and advice from human resource consultants), a request may be made to the Board through the company secretary. All such requests should be processed in accordance with the Company's pre-defined procedures for seeking independent professional advice at the Company's expense.
- 13.5 Every member of the Remuneration Committee should ensure that he can give sufficient time and attention to his duties as a member of the Remuneration Committee. He should give the Company the benefit of his skills and expertise through regular attendance and active participation.
- 13.6 The Remuneration Committee is authorised by the Board to seek such further information from the management of the Company as it may require in order to enabling it to discharge its duties.
- 13.7 The Remuneration Committee and each of its members should have separate and independent access to the Company's senior management.

14 Publication of the terms of reference of the Remuneration Committee

- 14.1 The terms of reference of the Remuneration Committee should be posted on the Stock Exchange's website and the Company's website.