



# Wuzhou International Holdings Limited

## 五洲國際控股有限公司

*(Incorporated in the Cayman Islands with limited liability)  
(the “Company” together with its subsidiaries, the “Group”)*

### Terms of Reference for Remuneration Committee

of the board of directors of the Company

Adopted pursuant to a resolution of the board of directors on May 18, 2013 and effective from June 13, 2013

#### Purpose

1. The Remuneration Committee is formed to assist the board (the “**Board**”) of directors (the “**Directors**”) of the Company to develop and administer a formal and transparent procedure for setting policy on executive Directors’ remuneration and all Directors’ and senior management’s remuneration packages.

#### Membership

2. The Remuneration Committee shall be appointed by the Board from time to time and shall consist of not less than three (3) Directors, a majority of which shall be independent non-executive Directors (“**INED**”) who shall meet and maintain the independence requirements from time to time as stipulated in the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).
3. The Board shall appoint an INED as the chairman (the “**Chairman**”).

#### Frequency and Proceedings at Meetings

4. The Remuneration Committee shall meet at least twice a year or more frequently if circumstances require.
5. Meetings of the Remuneration Committee shall be summoned by the Company Secretary at the request of the Chairman.
6. For regular meetings, and as far as practicable in all other cases, an agenda and accompanying committee papers should be sent, in full, to all committee members of the Remuneration Committee. These should be sent in a timely manner and at least three (3) days before the intended date of meeting (or such other agreed period as agreed).
7. The company secretary of the Company (the “**Company Secretary**”) shall be the secretary of the Remuneration Committee.
8. The quorum necessary for the transaction of business shall be two (2), both of whom must be INEDs.

## **Reporting Procedures**

9. On an annual basis, the Remuneration Committee shall evaluate and assess the effectiveness of the Remuneration Committee and the adequacy of these Remuneration Committee Terms of Reference and recommend any proposed changes to the Board.
10. Minutes of meetings of the Remuneration Committee and the record of individual attendance at such meetings shall be prepared by the Company Secretary which shall be sent to all committee members of the Remuneration Committee as soon as practicable after the conclusion of any meeting of the Remuneration Committee. Those minutes should be kept by the Company Secretary and should be open for inspection at any reasonable time on reasonable notice by any member of the Board.
11. Minutes of meetings of the Remuneration Committee should record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes of meetings of the Remuneration Committee should be sent to all Directors for their comment and records respectively, in both cases within a reasonable time after the meeting is held.
12. The Remuneration Committee should report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

## **Authority**

13. The Remuneration Committee is authorised by the Board to determine the policy for the remuneration of executive Directors, assessing performance of executive Directors and approving the terms of executive Directors' service contracts. Remuneration levels should be sufficient to attract and retain Directors to run the Company successfully without paying more than necessary. It shall ensure that no Director should be involved in deciding his own remuneration.
14. The Remuneration Committee should be provided with sufficient resources to perform its duties.
15. The Remuneration Committee should consult the chairman of the Board and/or chief executive officer about their remuneration proposals for other executive Directors. The Remuneration Committee should have access to independent professional advice if considered necessary.

## **Annual General Meeting**

16. The Chairman should, as far as practicable, attend the annual general meeting of the Company and make himself available to answer any shareholders' questions on the Remuneration Committee's activities. In his absence, one other member of the Remuneration Committee or failing this his duly appointed delegate should attend.

## Responsibilities and Duties

17. The Remuneration Committee shall perform the following duties:

- (a) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policies;
- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) either (i) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or (ii) 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;
- (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;
- (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 in respect of any service contracts of Directors that require shareholders' approval in accordance with the Listing Rules;
- (j) to determine the criteria for assessing employee performance, which should reflect the Company's business objective and targets;
- (k) to do any such things to enable the Remuneration Committee to discharge its powers and functions conferred on it by the Board; and
- (l) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

## **General**

18. The Remuneration Committee should make available these Terms of Reference, explaining its rule and the authority delegated to it by the Board by including them on the Stock Exchange's website and Company's website.
19. For the purpose of these Terms of Reference, "senior management" means the same persons as referred to in the Company's annual report and is required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules, as such rule may be amended from time to time.

(Chinese translation is for reference only. The English text shall prevail in case of any inconsistency.)