



Z-Obee Holdings Limited

(incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 948)

(Singapore Stock Code: D5N)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

The remuneration committee (the “**Remuneration Committee**”) is set up to report to the board (the “**Board**”) of directors (the “**Directors**”) of Z-Obee Holdings Limited (the “**Company**”).

The primary role of the Remuneration Committee is to facilitate appropriate transparency and accountability to shareholders and make recommendations to the Board on remuneration matters of the Directors and senior management in the Company.

The terms of reference proposed for the Remuneration Committee are hereto as below.

1. MEMBERSHIP

- 1.1 The Remuneration Committee shall be appointed by the Board from amongst its members, and shall comprise at least three (3) members.
- 1.2 A majority of the Remuneration Committee members shall be independent non-executive Directors.
- 1.3 The chairman (the “**Chairman**”) shall be elected by members and shall be an independent non-executive Director.
- 1.4 If a member, for any reason, ceases to be a member, the Board shall appoint a new member so that the number of members does not fall below three.
- 1.5 Except for Clause 1.6, a member who wishes to retire or resign from the Remuneration Committee shall notify the Board in writing, giving at least one (1) month’s notice.
- 1.6 The office of a member shall become vacant upon the member’s death/resignation/retirement/removal or disqualification as a Director of the Company.

- 1.7 Any vacancy in the Remuneration Committee shall be filled within three (3) months.

2. ADMINISTRATION

2.1 Meetings

- (a) The meetings of the Remuneration Committee may be conducted by means of telephone conference, video conference or any other form of audio or audio-visual instantaneous communication and the minutes of such a meeting signed by the Chairman shall be conclusive of any meeting conducted as aforesaid.
- (b) Meetings of the Remuneration Committee will be held as the Remuneration Committee deems appropriate. The Remuneration Committee should meet at least once a year and meetings should be organized so that attendance is maximised. A meeting may be called, at any other time, by the Chairman or any member of the Remuneration Committee. Executive Directors or management (“**Management**”) may be invited to the meetings.
- (c) The secretary (the “**Secretary**”) of the Remuneration Committee shall be the company secretary (the “**Company Secretary**”) of the Company for the time being or, such other person as may be nominated by the Remuneration Committee.
- (d) The Secretary shall attend all meetings and minute the proceedings thereof.
- (e) Minutes of all meetings shall be confirmed by the Chairman of the meeting and circulated to all members of the Remuneration Committee.
- (f) If the Chairman of the Remuneration Committee so decides, the minutes shall be circulated to other members of the Board. Any Director may, provided there is no conflict of interest and with the agreement of the Chairman, obtain copies of the minutes of Remuneration Committee meetings.
- (g) The notice of each meeting of the Remuneration Committee, confirming the venue, date and time and enclosing an agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the Remuneration Committee at least three (3) working days prior to the date of the meeting.

2.2 Quorum

The quorum shall be two (2) members, including at least one independent non-executive Director.

2.3 Voting

A resolution shall be considered passed if:

- (a) there is a majority of votes passed in favour of the resolution during a meeting of the Remuneration Committee, or
- (b) there is agreement in writing by a majority of members entitled to participate in the decision.

In the event of an equality of votes, the Chairman **shall not** have a casting vote.

Any member who has an interest in any matters being reviewed or considered by the Remuneration Committee shall abstain from voting on the matter.

2.4 Remuneration Committee Resolutions in Writing

The Remuneration Committee may pass resolutions by circulation. A resolution in writing signed by at least two (2) Remuneration Committee members, including at least one independent non-executive Director, shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly called and constituted. These resolutions may consist of several documents in original or facsimile in the like form each signed by one or more members.

2.5 Attendance at Annual General Meetings

The Chairman (or in his absence, an alternative member) of the Remuneration Committee shall attend the annual general meetings (the “**AGM**”) of the Company and be prepared to answer questions concerning remuneration matters of the Directors and senior management.

3. DUTIES

The duties of the Remuneration Committee shall be (on an annual basis):

- 3.1 To review and recommend to the Board a framework of remuneration and to determine the specific remuneration packages and terms of employment for :–
 - each Director;
 - the chief executive officer (“**CEO**”) (or executive of equivalent rank) if the CEO is not a Director;
 - senior management of the Company and its subsidiaries (the “**Group**”); and
 - employees related to Directors or, controlling shareholders of the Group.
- 3.2 To recommend to the Board the employees’ share option schemes (“the **Scheme**”) or any long term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith.
- 3.3 To function as the committee referred to in the Scheme of the Company and shall have all the powers as set out in the Scheme.
- 3.4 To carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the Remuneration Committee by the Board of Directors from time to time.
- 3.5 As part of its review, the Remuneration Committee shall ensure that:
 - (i) all aspects of remuneration including Directors’ fees, salaries, allowances, bonuses, options and benefits-in-kind should be covered.
 - (ii) the remuneration packages should be comparable within the industry and comparable companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual Directors’ and senior management’s performance.
 - (iii) the remuneration package of employees related to Directors or controlling shareholders of the Group are in line with the Group’s staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibility.

4. REMUNERATION

- 4.1 Having regard to the functions performed by members of the Remuneration Committee in addition to their functions as Directors in relation to the activities of the Remuneration Committee and pursuant to the specific power conferred upon the Board by the Bye-Laws of the Company, members of the Remuneration Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the Board.
- 4.2 Such special remuneration shall be in addition to the annual fees payable to Directors.

5. GENERAL

- 5.1 The Remuneration Committee in carrying out its tasks under these terms of reference may obtain such external or other independent professional advice as it considers necessary to carry out its duties.
- 5.2 The Board will ensure that the Remuneration Committee has access to internal and external professional advice in order for it to perform its duties.
- 5.3 These terms of reference may from time to time be amended as required, subject to the approval of the Board.