

## **COL CAPITAL LIMITED**

**(the “Company”)**

### **TERMS OF REFERENCE**

**OF**

### **REMUNERATION COMMITTEE**

#### **Membership**

1. The Remuneration Committee shall consist of not less three members (majority of the members should be Independent Non-Executive Directors) appointed by the board of directors (the “Board”) from time to time.
2. The Board shall nominate one of the Independent Non-Executive Directors as Chairman of the Remuneration Committee.
3. The company secretary of the Company should be the secretary of the Remuneration Committee.

#### **Frequency and Proceedings of Meetings**

4. The Remuneration Committee shall meet at least once every year. Additional meetings shall be held as the work of the Remuneration Committee demands.
5. The Chairman of the Remuneration Committee may convene additional meetings at his discretion.
6. The quorum of a meeting shall be three members of the Remuneration Committee, majority of which should be Independent Non-Executive Directors.
7. The Remuneration Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.
8. The Remuneration Committee shall be provided with sufficient resources to perform its duties.
9. A resolution in writing signed by all members of the Remuneration Committee shall be as valid and effective as if it has been passed at a meeting of the Remuneration Committee duly called and constituted.
10. Proceedings of meetings of the Remuneration Committee shall be governed by the provisions of clause 126 of Bye-Laws of the Company.

## **Duties, Powers and Functions**

11. (i) to recommend to the Board on policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.
- (ii) to make recommendations to the Board on 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);
- (iii) to consult the chairman and / or chief executive about their remuneration proposals for other executive directors. The Remuneration Committee members should have access to independent professional advice if necessary;
- (iv) to make recommendations to the Board on the remuneration of non-executive directors;
- (v) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (vi) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (vii) 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;
- (viii) 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;
- (ix) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (x) to consider the annual performance bonus for Executive Directors and senior management having regard to their achievements against the performance criteria and by reference to market norms, and make recommendation to the Board;
- (xi) to do any such things to enable the Remuneration Committee to discharge its powers and functions conferred on it by the Board; and
- (xii) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Bye-laws of the Company or imposed by legislation.

## Reporting Procedure

12. The Remuneration Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Remuneration Committee, the Chairman of the Remuneration Committee shall report the findings and recommendations of the Remuneration Committee to the Board.

### Notes:

1. The definition of Chief Executive - a person who either alone or together with one or more other persons is or will be responsible under the immediate authority of the board of directors for the conduct of the business of the Company (*Rule 1.01 of the Listing Rules*)
2. If there is any inconsistency between the English and Chinese versions of this Term of Reference, the English version shall prevail.

Revised on 27 February 2012