

**TERMS OF REFERENCE  
OF  
REMUNERATION COMMITTEE**

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## **1. DEFINITION**

“Board”	the board of Directors
“Company”	C Y Foundation Group Limited
“Director(s)”	the director(s) of the Company
“Executive Board”	the board of executive Directors
“INED(s)”	the independent non-executive Director(s)
“Remuneration Committee”	the remuneration committee of the Company
“Secretary”	the secretary of the Remuneration Committee
“Senior Executive(s)”	Director(s), and executive(s) of the Group as defined by the Executive Board as senior executive(s) and whose remuneration is required by the Board to be reviewed by the Remuneration Committee

## **2. CONSTITUTION**

- 2.1 The Remuneration Committee was established by the Board.
- 2.2 These terms of reference were proposed by the Executive Board and were adopted by the Remuneration Committee.

## **3. MEMBERSHIP**

- 3.1 The Remuneration Committee shall comprise a minimum of 3 members. Majority of the Remuneration Committee shall be INEDs. The members shall be appointed by the Executive Board without fixed term of office.
- 3.2 The Executive Board shall nominate one of the members of the Remuneration Committee to be the chairman of the Remuneration Committee.
- 3.3 In general, the company secretary of the Company should be the Secretary.

## **4. FREQUENCY AND PROCEEDINGS OF MEETINGS**

- 4.1 Meetings shall be held not less than once a year before the finalization of the audited annual financial statements of the Company.
- 4.2 Additional meetings shall be arranged if the work of the Remuneration Committee requires or if the chairman of the Remuneration Committee considers necessary.
- 4.3 Each meeting of the Remuneration Committee shall be attended, physically or by electronic means, by at least a member who is an INED.

## **5. FUNCTIONS AND DUTIES**

The Remuneration Committee shall:

- 5.1 make recommendation to the Executive Board on the Company’s remuneration policy for the Senior Executives;
- 5.2 review, approve and make recommendation for (if any) the remuneration package of

each Senior Executive including benefits in kind, pension right, bonus payment and compensation payments;

- 5.3 review and approve performance-based remuneration of each Senior Executive (if any) by reference to achievement goals and objectives set by the Executive Board;
- 5.4 review and approve the compensation payable to any Senior Executive upon his/her cessation of directorship in or employment with the Company;
- 5.5 ensure that no Director or any of his/ her associates is involved in deciding his/ her own remuneration; and
- 5.6 engage external professional advisors to assist and/or advise the Remuneration Committee on its duties when necessary and reasonable, provided the arrangement is in line with the Company's guidelines for seeking independent professional advice (if any).

## **6. REPORTING PROCEDURES**

The Secretary shall arrange the records of the meetings of the Remuneration Committee in the following manner:

- 6.1 draft minutes to be sent to all members of the Remuneration Committee present in the meeting for comments within 10 business days from the date of the meeting;
- 6.2 a minimum of 3 business days shall be allowed for each member present in the relevant meeting to comment on the draft minutes; and
- 6.3 within the next 10 business days, the final version of the minutes shall be circulated to each presentee at the relevant meeting for signature and shall be delivered to each member of the Remuneration Committee for record, and if desirable, to the relevant member(s) of the Board or the relevant management executives of the Group, for reference and/or follow up.