

**CHIHO-TIANDE GROUP LIMITED**  
**齊合天地集團有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(the “Company”)**

**TERMS OF REFERENCE  
OF  
THE REMUNERATION COMMITTEE**

**Constitution**

1. The board of directors of the Company (the “**Board**”) has resolved the establishment of the Remuneration Committee on 23 June, 2010.

**Membership**

2. The Remuneration Committee (hereinafter referred to as the “**Committee**”) shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members. A majority of the members of the Committee should be independent non-executive directors (“**INEDs**”). The constitution of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) from time to time. Listing Rule 3.25
3. The Chairman of the Committee shall be an INED who is a member of the Committee appointed by the Board. Listing Rule 3.25
4. The members of the Committee shall not have personal financial interest (other than being a shareholder of the Company) and conflicts of interest arising from cross-directorships.
5. The term of membership will be one year from the date of appointment subject to renewal and shall be governed by the provisions of the Articles of Association of the Company.
6. The appointment of the members of the Committee may be revoked, and new appointment be made in place by resolutions passed by the Board and by the Committee.
7. No alternate Committee member can be appointed.

**Attendance at Meetings**

8. The quorum of a meeting of the Committee shall be two members of the Committee, at least one of which shall be an INED. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
9. Only members of the Committee have the right to attend meetings of the Committee. However, the Committee may, if necessary, invite the executive directors who are not members of the Committee, the chief executive officers of the Company, a representative of the Human Resources Department of the Company and other advisors to attend the meetings, including but not limited to external professional advisors or consultants to advise its members as and when appropriate.
10. The Company Secretary or his nominee shall be the Secretary of the Committee who should attend all meetings of the Committee.

11. Members of the Committee may participate in a meeting of the Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

#### **Frequency of Meetings**

12. Meetings shall be held not less than twice a year. Additional meetings should be held as and when the Committee consider necessary.
13. The Chairman of the Committee or any two members of the Committee may request a meeting if they consider it necessary. Committee meetings shall be arranged by the Secretary of the Committee upon instruction of the Chairman of the Committee.
14. Proceedings of meetings of the Committee shall be governed by the provisions of the Articles of Association of the Company.

#### **Notice of Meetings**

15. Unless otherwise agreed, notice of each meeting of the Committee shall confirm the venue, time and date together with an agenda of items to be discussed and shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors no later than 3 working days before the date of the meeting. Supporting papers shall be sent to the Committee members and to other attendees as appropriate at the same time.

#### **Committee's Resolutions**

16. A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in same form each signed by one or more of the members of the Committee. Such resolution may be signed and circulated by fax. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.
17. The secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. All minutes shall record in sufficient details the matters considered, decision reached or recommendations made and any concerns raised by any member including dissenting views.
18. Minutes of the Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

#### **Annual General Meeting**

19. The Chairman of the Committee (or if he is not able to attend, his delegate who shall be a member of the Committee) shall attend the Annual General Meeting, in which he shall be prepared to respond to any shareholder's questions on the Committee's activities.

#### **Authorities and Purposes**

20. The Committee is authorised by the Board to review, assess and make recommendations upon, any issue within these terms of reference.
21. The Committee should utilise information received internally and externally to satisfy itself that base salaries are competitive with current market conditions and that the total remuneration package/benefits are competitive with other companies of a similar size, business nature and scope as the Company.

22. The purpose of the establishment of the Committee is to enable the Company to be more open and objective in the setting of its remuneration in respect of the Chairman of the Board, the executive directors and the senior management of the Company.
23. The Committee is to review and make recommendations concerning the remuneration packages and benefits of the Chairman of the Board, the directors and the senior management of the Company as an independent and impartial committee. No director shall be involved in deciding his own remuneration.
24. The Committee must ensure that the Chairman of the Board, the directors and the senior management of the Company are fairly rewarded in the light of their contribution to the Company and their performance and that they receive suitable incentives to maintain high standards of performance and to improve their, and the Company's, performance.
25. The Committee is authorised by the Board, and at the reasonable expense of the Company, to obtain outside legal or other independent professional advice and to secure attendance of outsiders with the relevant experience and expertise if it considers this necessary. Appendix 14 B.1.1
26. The Committee is to be provided with sufficient resources to perform its duties. Appendix 14 B.1.4

### **Duties**

The duties of the Committee shall include:

27. to assess, review and make recommendations, once a year or as and when required, to the Board in respect of the remuneration packages and overall benefits for the directors and the senior management of the Company. The Committee should consult the Chairman of the Board and/or the chief executive of the Company about their remuneration proposals for other executive directors of the Company; Appendix 14 B.1.1
28. to make recommendations to the Board in relation to all consultancy agreements and service contracts, or any variations, renewals or modifications thereof, entered into between the Company and the directors of the Company or any associate company of any of them;
29. to consider what details of the remuneration/benefits of the Chairman of the Board, the directors and the senior management of the Company should be reported in addition to those required by law in the Company's annual report and accounts and how those details should be presented;
30. to make recommendations to the Board on the Company's policy and structure for all directors (including non-executive directors and independent non-executive directors) and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, and to place recommendations before the Board concerning the total remuneration and/or benefits granted to the directors from time to time; Appendix 14 B.1.2(a)
31. 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) and to make recommendations to the Board on the remuneration of non-executive directors. The Committee should consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group; Appendix 14 B.1.2(c), (d) and (e)
32. to review and approve the management's remuneration proposal with reference to the Board's corporate goals and objectives; Appendix 14 B.1.2(b)

33. to review and evaluate the performance of individual executive director in the relevant financial year in determining the amount of bonus (if any) to be payable to him/her and determine the time of payment of any such bonus;
34. 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; Appendix 14 B.1.2(f)
35. to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with relevant contractual terms and are otherwise reasonable and appropriate; Appendix 14 B.1.2(g)
36. to ensure that no director or any of his associates is involved in deciding his own remuneration; Appendix 14 B.1.2(h)
37. to consider the granting of the share options to directors of the Company pursuant to the share option scheme adopted by the Company;
38. to ensure that adequate retirement arrangements are put in place and maintained for the Chairman and executive directors of the Company in the light of their performance during their tenure with the Company and not merely their performance in the previous years;
39. to cater for the Company to be in a position to offer and maintain competitive and attractive overall benefits to recruit and maintain high quality personnel at the Board level;
40. to do any such things to enable the Committee to discharge its duties and functions conferred on it by the Board; and
41. 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 the Listing Rules or applicable laws.

### **Reporting Procedures**

42. The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting of the Committee on all matters within its duties and responsibilities.
43. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting/written resolution of the Committee, copies of the minutes/resolution setting out the findings, recommendations and decisions of the Committee shall be submitted to the Board.
44. The Committee shall make whatever recommendations to the Board on any area within its remit where action or improvement is needed.
45. The Committee shall compile annually a report on its activities for the Board to consider in the context of preparing the Company's annual report.

## **Availability and Update of the Terms of Reference**

46. These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. the Listing Rules) in Hong Kong. These terms of reference shall be made available to the public by including the information on the websites of the Company and The Stock Exchange of Hong Kong Limited.

Appendix 14  
B.1.3

Adopted by the Board on 23 June, 2010.  
Revised by the Board on 19 March, 2012.