



**FAR EAST CONSORTIUM INTERNATIONAL LIMITED**

(the "Company")

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 35)

**TERMS OF REFERENCE  
OF  
REMUNERATION COMMITTEE  
(THE "COMMITTEE")**

**1. Functions and Objectives**

The Remuneration Committee (the "Committee") is to assist the board of directors of the Company (the "Board") to develop and administer a fair and transparent procedure for setting policy on the remuneration of Directors and senior management of the Company and for determining their remuneration packages.

**2. Membership**

- 2.1 All members of the Committee (the "Members") shall be appointed by the Board and can be removed by the Board at its sole discretion. The Committee shall comprise a minimum of three Directors.
- 2.2 The majority of the Members shall be independent Non-executive Directors.
- 2.3 The Board shall from time to time vary the composition of the Committee as may be required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") as modified from time to time, or other codes, rules and regulations as may be prescribed by the applicable regulatory authority from time to time.

**3. Secretary**

The company secretary of the Company shall be the secretary of the Committee.

**4. Authority**

- 4.1 The remuneration committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors. The remuneration committee should have access to independent professional advice if necessary.

- 4.2 The Committee shall be provided with sufficient resources to discharge its duties.

## 5. Duties

The duties of the Committee shall include the following aspects :-

- (a) To make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.
- (b) To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- (c) To determine, with delegated responsibility, 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 the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company.
- (g) To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.
- (h) To ensure that no director or any of his associates is involved in deciding his own remuneration.

## **6. Committee Meetings**

### **6.1 Frequency**

The Committee shall meet at least once a year. Additional meetings should be held as when necessary.

### **6.2 Notice**

Notice of any meetings of the Committee has to be given at least 14 days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Members. Notice of any adjourned meetings is not required if adjournment is for less than 14 days. In respect of regular Committee meetings and so far as practicable in all other cases, an agenda and accompanying supporting papers shall be sent to all Members and to other attendees as appropriate at least 3 days before the date of the meeting (or such other period as agreed).

### **6.3 Quorum**

The quorum for meetings of the Committee should be two, of whom at least one has to be Independent Non-Executive Director.

### **6.4 Resolutions**

Resolutions of the Committee shall be passed by a majority of votes. A resolution in writing signed by all the Members 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 like form each signed by one or more of the Members. Meetings can be held in person, by telephone or by video conference.

### **6.5 Minutes**

The secretary of the Committee should keep full minutes of all Committee meetings. Draft and final versions of minutes of meetings of the Committee should be sent to all Members for their comment and records respectively, in both cases within a reasonable time after the meeting. The secretary of the Committee (or his/her delegate) in attendance at the meetings of the Committee shall minute in sufficient detail the matters considered and decisions reached at such meetings. The minutes shall also include any concerns raised by any Member and/or dissenting views expressed.

**7. Annual general meeting**

- 7.1 The chairman of the Committee or in his absence, another Member or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the annual general meeting on the Committee's work and responsibilities.

**8. Reporting responsibilities**

- 8.1 The Committee shall report on its role and work performed by it during the year, including determining the policy for the remuneration of executive directors, assessing performance of executive directors and approving executive directors' service contracts, for inclusion in the Company's corporate governance report.
- 8.2 The Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so.

*Note : If there is any inconsistency or discrepancy between the English and Chinese versions of the above terms of reference, the English version shall prevail.*

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