



## **SOUTHEAST ASIA PROPERTIES & FINANCE LIMITED**

**華信地產財務有限公司**

*(Incorporated in Hong Kong with limited liability)*

Stock Code: 252

Website: <http://www.seapnf.com.hk>

### **TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

#### ***Constitution & Membership***

1. The Remuneration Committee shall be appointed by the Board from amongst the Non-Executive Directors of the Company and shall consist of not less than three members. The majority of the remuneration committee members must be independent non-executive directors of the Company. The remuneration committee must be chaired by an independent non-executive director. A quorum shall be two members.
2. The Chairman of the Committee shall be appointed by the Board.

#### ***Attendance at meetings***

3. Other Board members shall also have the right of attendance. The Remuneration Committee may participate in a meeting of the Committee either in person or by means of a conference telephone or similar communications equipment by means of which all persons participating in meeting are capable of hearing each other.
4. The Human Resources Manager or the Company Secretary shall be the secretary of the Committee.

#### ***Frequency of meetings***

5. Meetings shall be held at least once a year. The members of the Committee may request a meeting if they consider that one is necessary.

#### ***Authority***

6. The Committee is authorised by the Board to set up policy on executive directors' remuneration and for fixing the remuneration packages for all directors. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

7. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

***Duties***

8. The duties of the Committee shall be:
  - (a) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
  - (b) to have the delegated responsibility to determine the specific remuneration packages of all 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 make recommendations to the Board of the remuneration of non-executive directors. The remuneration committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group;
  - (c) to review and approve the management's remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
  - (d) 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;
  - (e) 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;
  - (f) to ensure that no director or any of his associates is involved in deciding his own remuneration; and
  - (g) to make available this terms of reference, explaining its role, and the authority delegated by the Board on request.

***Report procedures***

9. The secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

***Annual general meeting***

10. The chairman of the Remuneration Committee shall, as far as practicable, attend the annual general meeting of the Company and be prepared to respond to any shareholder's questions on the Remuneration Committee's activities.

***General***

11. The Remuneration Committee should make available these terms of reference by including them on the website of the Stock Exchange of Hong Kong Limited and the website of the Company.

(If there is any inconsistency or ambiguity between the English version and the Chinese version, the English version shall prevail.)

(Revised and effective on 16 March 2012)