

周大福

CHOW TAI FOOK

CHOW TAI FOOK JEWELLERY GROUP LIMITED

周大福珠寶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1929

Remuneration Committee – Terms of Reference

Definitions

1. For the purposes of these terms of reference (the *Terms*):

Board means the board of directors of the Company;

Company means Chow Tai Fook Jewellery Group Limited, a public limited liability company incorporated under the laws of the Cayman Islands, registered with Registrar of Companies, Cayman Islands under number OI-259888, whose registered office is at Codan Trust Company (Cayman) Limited, Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands;

Company Secretary means the company secretary of the Company;

Directors mean the members of the Board;

Group means the Company and its subsidiaries and associated companies at the relevant time or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries and associated companies, the present subsidiaries and associated companies of the Company or the businesses operated by its present subsidiaries and associated companies or (as the case may be) its predecessor;

Listing Rules means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);

Remuneration Committee means the remuneration committee established by the resolution of the Board in accordance with clause 3 of these Terms;

Senior Management means the senior executives of the Group determined by the Board from time to time as senior management of the Company and any other employees of the Company as determined by the Remuneration Committee from time to time; and

Shareholders mean the shareholders of the Company from time to time.

2. The word “remuneration”, as used in these Terms, includes without limitation any salaries, bonuses, allowances, benefits (in cash or in kind), pension arrangements, reimbursements, compensation payments (including any compensation payable for loss or termination of office or appointment), incentive payments and awards and share options.

Constitution

3. The Remuneration Committee was established by resolution of the Board on 17 November 2011.

Membership

4. The members of the Remuneration Committee shall be appointed by the Board from among the Directors and shall consist of not less than three members, a majority of whom shall be independent non-executive Directors. A quorum shall be two members of whom at least one shall be an independent non-executive Directors.

5. Appointments to the Remuneration Committee shall be for a period of up to three years, which may be extended by the Board provided that a majority of the committee members remain independent non-executive Directors.

6. The chairman of the Remuneration Committee shall be appointed by the Board and shall be an independent non-executive Director.

7. Each member of the Remuneration Committee shall disclose to the Remuneration Committee:

- (a) any personal financial interest (other than as a Shareholder of the Company) in any matter to be decided by the Remuneration Committee; or
- (b) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Remuneration Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Remuneration Committee.

Frequency and conduct of meetings

8. Meetings of the Remuneration Committee shall be held as and when appropriate, but not less than once a year. The chairman of the Remuneration Committee shall convene a meeting upon request by any member of the Remuneration Committee.

9. An agenda and other relevant documents should be sent in full to all members in a timely manner and at least three days before the intended date of a meeting of the Remuneration Committee (or such other period as may be agreed by its members).

10. The Company Secretary shall be the secretary to the Remuneration Committee.

11. Meetings of the Remuneration Committee may follow the same procedures as those for meetings of the Board under the relevant provisions in the Company's articles of association, as amended from time to time.

12. Senior Management is obliged to supply the Remuneration Committee with adequate information in a timely manner in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where any member requires more detailed and complete information from Senior Management, that member should make any additional necessary enquiries. The Board, Remuneration Committee and each Director shall have separate and independent access to Senior Management.

Annual general meetings

13. The chairman of the Remuneration Committee (or in his absence, his duly appointed delegate) shall attend the Company's annual general meetings and be prepared to respond to any Shareholders' questions on the Remuneration Committee's activities.

Authority

14. The Remuneration Committee is authorised by the Board to discharge its duties within these Terms. It is authorised to seek any information it requires from the Directors and/or Senior Management who are directed to co-operate with the Remuneration Committee.

15. The Remuneration Committee is authorised by the Board to obtain, at the Company's expense, external independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Remuneration Committee shall be provided with sufficient resources to perform its duties. The Remuneration Committee should be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external consultant who advises the Remuneration Committee.

Duties

16. The duties of the Remuneration Committee shall include:

- (a) making 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) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) determining, with delegated responsibility, the remuneration packages of individual executive Directors and Senior Management and making recommendations to the Board about the remuneration of non-executive Directors. In doing so, the Remuneration Committee shall consider, amongst other things, salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (d) reviewing and approving compensation payable to executive Directors and Senior Management for any loss or termination of office or appointment in order to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (e) reviewing and approving the compensation arrangements relating to dismissal or removal of Directors for misconduct in order to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (f) ensuring that no Director or any of his associates is involved in deciding his own remuneration; and
- (g) advising the Shareholders on how to vote with respect to any service contracts of the Directors that require Shareholders' approval under the Listing Rules.

17. In carrying out its duties under these Terms, the Remuneration Committee should:
- (a) consult the chairman of the Board and/or the chief executive officer / managing Director about their remuneration proposals for other executive Directors and Senior Management and have access to independent professional advice if necessary;
 - (b) determine the remuneration packages needed to attract, retain and motivate executive Directors and Senior Management of the quality required to run the Company successfully, but avoid paying more than necessary;
 - (c) judge where to position the Group relative to other companies and groups. They should be aware of what comparable companies are paying and should take account of relative performance;
 - (d) be sensitive to the wider market, including pay and employment conditions within the Group and elsewhere, especially when determining annual salary increases; and
 - (e) ensure that offers and awards of share options by the Company to its Directors or Senior Management (if any) and the schemes under which they are offered and awarded are in accordance with Chapter 17 of the Listing Rules, as applicable.
18. Without prejudice to the generality of the duties of the Remuneration Committee set out in these Terms, the Remuneration Committee shall:
- (a) operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to Directors and Senior Management, and recommend to the general meeting of Shareholders (where required) grants of options or other awards to be made to Directors and/or Senior Management and perform such other functions in relation to the share option or other incentive schemes as the Board may authorise and request;
 - (b) liaise with the trustee of any trust which is created by the Company for the benefit of participants in any share option scheme or other incentive scheme;
 - (c) review the terms of executive Directors' service contracts from time to time; and
 - (d) advise the Board in relation to the preparation of the Board's remuneration report (if any) to Shareholders.

Reporting procedures

19. Full minutes of the Remuneration Committee's meetings shall be kept by the Company Secretary (or a duly appointed representative). The minutes shall be made available for inspection on reasonable notice by any Director. Minutes of meetings of the Remuneration Committee shall record in sufficient detail the matters considered by the Remuneration Committee and decisions reached, including any concerns raised by members or dissenting views expressed. Draft and final versions of minutes of such meetings should be sent to all members of the Remuneration Committee for their comment and records within a reasonable time after such meetings.

20. Without prejudice to the generality of the duties of the Remuneration Committee set out in these Terms, the Remuneration Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.

21. The Remuneration Committee shall, at least annually, evaluate its own performance, terms of reference and membership to ensure it is performing its duties effectively and shall recommend to the Board any changes it considers necessary. The Board shall also conduct a regular evaluation of the performance of the Remuneration Committee.

Terms available

22. The Remuneration Committee shall make these Terms available on request and by inclusion on the websites of the Company and The Stock Exchange of Hong Kong Limited, in order to explain its role and the authority delegated to it by the Board.