



## **TRAUSON HOLDINGS COMPANY LIMITED**

### **創生控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 325)

## **THE TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE ( THE “COMMITTEE” )**

### **Members**

1. The Committee should comprise three directors appointed by the board of the directors of the Company (the “Board”) from time to time, of which the majority should be independent non-executive directors.
2. The Board should nominate one independent non-executive director from the three members of the Committee as the chairman of the Committee.
3. The secretary of the Committee should be the secretary of the Company.

### **Frequency and Procedure of Meetings**

4. The Committee should convene at least one meeting per year and may convene additional meetings as and when required.
5. The chairman of the Committee may exercise his discretion to convene additional meetings.
6. The quorum of each meeting should be any two members of the Committee.
7. The procedure of the Committee meeting should comply with Article 20 of the Company’s Articles of Association.
8. Within a reasonable period of time after the Committee meetings, draft versions of minutes should be sent to all Committee members for comments, and the final version duly signed by the chairman of the Committee should also be circulated to all Committee members for records. Full minutes of Committee meetings should be kept by the secretary of the Company and be open for inspection by directors of the Company.

## **Authorities**

9. The Committee should consult the chairman and/or chief executive about the remuneration proposals for other executive directors. The Board authorises that the Committee may have access to external legal or other independent professional advice as and when required, and may invite external parties with related experience and professional knowledge to attend the Committee meetings.
10. The Committee should be provided with sufficient resources to perform its duties.

## **Responsibilities and Functions**

11. The Committee should:
  - (a) Make recommendations to the Board on the Company's policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
  - (b) Review and approve senior management's remuneration proposals with reference to the Board's corporate goals and objectives;
  - (c) Make recommendations to the Board on the remuneration packages of individual executive directors and senior management. These should include benefits in kind (including share options), pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment);
  - (d) Make recommendations to the Board on the remuneration of non-executive directors;
  - (e) Formulate remuneration policy for the Board approval having taken into account factors such as salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;
  - (f) Without prejudice to the general principles under the foregoing terms:
    - (i) Establish guidance for recruiting the directors, chief executive and senior management;
    - (ii) 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, reasonable and not excessive;

- (iii) Review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (iv) Ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;
- (v) Determine the criteria for evaluating employees performance which reflects the business goals and objectives of the Company;
- (vi) Make recommendations to the Board on the annual performance bonuses for executive directors, senior management and general staff, after evaluating their performances and considering relevant market standards;
- (vii) Engage external professional consultants to assist and / or advise the Committee as and when deemed necessary;
- (viii) Take any action required to enable the Committee to perform its authorities and responsibilities delegated by the Board; and
- (ix) Comply with any regulations, guidelines and rules stipulated by the Board, the Company's Articles of Association or applicable laws from time to time.

12. The Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the website of The Stock Exchange of Hong Kong Limited and the Company's website.

### **Reporting Procedure**

13. The Committee should report to the Board regularly. At the Board meeting convened after each Committee meeting, the chairman of the Committee shall report its findings and recommendations.

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