

# **PYXIS GROUP LIMITED**

## **瀚智集團有限公司**

*(Incorporated in Bermuda with limited liability)*  
**(stock code: 516)**

### **PYXIS GROUP LIMITED (the “Company”)**

### **Remuneration Committee (the “Committee”)**

#### **Terms of Reference**

##### **A. Objective**

1. As a matter of good practice, Executive Directors and senior management should not be responsible for their own remuneration.
2. The **Committee** is to set out the remuneration for the Board of Directors of the **Company** (the “**Board**”) and the level below the **Board**, as well as determining the policy for the whole **Company**.
3. The role of the **Committee** is to devise and apply reward systems that attract, retain and motivate the people needed for the business.
4. Remuneration levels are determined by market rates and performance, but should also consider internal comparability (both for other members of the **Board** and the rest of the staff), affordability and perception.
5. Market rates, by their very nature, spiral up every year and are often based on the views of specialist advisers. However, stakeholders may not give much credence to these views if awards seem excessive in terms of the perceived company performance and internal comparisons.
6. When considering performance, the **Committee** should also take into account many issues such as long-term versus short-term, and the appropriate approach to measure performance.
7. The **Committee** should also consider whether it is measuring an individual, a team or the whole **Company**, and to structure an effective incentive-based pay: fixed versus variable, short-term versus long-term.

##### **B. Constitution**

1. This Terms of Reference of the **Committee** was approved by the **Board** on 02 February 2012.

### **C. Membership**

1. The **Committee** shall be appointed by the **Board** from amongst the **Board** members and senior management of the **Company**, a majority of whom should be Independent Non-Executive Directors (“**INED**”). A quorum shall be two members.
2. The Chairman of the **Committee** shall be appointed by the **Board** and should be an **INED**.

### **D. Attendance at meetings**

1. In addition to the appointed members of the **Committee**, all other **Board** members and senior management of the **Company**, including the Head of Internal Audit (if any), shall normally attend meetings, if so invited by the Chairman of the **Committee**.
2. The Company Secretary shall be the secretary of the **Committee**.

### **E. Frequency of meetings**

1. Meetings shall be held at any frequency as the Chairman of the **Committee** considers necessary.

### **F. Authority**

1. The **Committee** has the full authority to consult the Chairman of the **Board** and the Chief Executive Officer about their proposals related to the remuneration of other Executive Directors if considered necessary.
2. The **Committee** is authorized 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.

### **G. Duties**

1. The duties of the **Committee** shall be:
  - (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 make recommendations to the **Board** on 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 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;
- (g) To 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;
- (h) To ensure that no director or any of his associates is involved in deciding his own remuneration; and
- (i) To advise shareholders of the **Company** on how to vote with respect to any service contracts of directors that require shareholders' approval

#### **G. Reporting procedures**

1. The secretary shall circulate the minutes of meetings and reports to the **Committee** to all members of the **Board**.

*(Version 1 -- 02 Feb 2012)*