



PME GROUP LIMITED

必美宜集團有限公司

(incorporated in the Cayman Islands with limited liability)

Terms of Reference of Remuneration Committee

1 Membership

- 1.1 Members of the Remuneration Committee (the “Committee”) shall be appointed by the Board of Directors (the “Board”) of the Company and shall be made up of at least three members who are directors of the Company.
- 1.2 The majority of the Committee members shall be independent non-executive directors.
- 1.3 The Committee Chairman shall be appointed by the Board and shall be an independent non-executive director. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting.

2 Secretary

- 2.1 The company secretary or his nominee shall act as the secretary of the Committee.

3 Quorum

- 3.1 A quorum shall be two members.

4 Frequency of Meetings

- 4.1 At least one meeting shall be held per year. Additional meetings should be held as the work of the Committee demands.
- 4.2 The Committee Chairman may convene additional meetings at his/her discretion.

5 Minutes of Meetings

- 5.1 The secretary shall minute the proceedings and resolutions of all meetings of the Committee.
- 5.2 The secretary shall circulate the minutes of meetings to all members of Committee and once agreed by the Committee Chairman, to all members of the Board.
- 5.3 A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

6 Duties

The duties of the Committee shall be:-

- 6.1 To make recommendations to the Board on the Company’s policy and structure for all directors’ remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 6.2 To review and recommend the executive directors’ remuneration proposals with reference to the Board’s corporate goals and objectives;



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- 6.3 To make recommendation to the Board on the remuneration packages of individual executive directors. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- 6.4 To make recommendations to the Board on the remuneration of non-executive directors;
- 6.5 To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- 6.6 To review and recommend compensation payable to executive directors 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;
- 6.7 To review and recommend compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they consistent with contractual terms and are otherwise reasonable and appropriate;
- 6.8 To ensure that no director or any of his associates is involved in deciding his own remuneration; and
- 6.9 To conform to any requirement, direction and regulation that may from time to time be prescribed by the Board or imposed by legislation;

7 Reporting Responsibilities

- 7.1 The Committee should report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the Committee Chairman shall report to the Board on the findings and recommendations of the Committee.

(Updated on 30 March 2012)