



BGMC International Limited

璋利國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(the “Company” or “BGMC”)
(Stock Code: 1693)

Terms of reference of the Remuneration Committee (the “Committee”) of the Board (the “Board”) of Directors (the “Directors”) of the Company

1.1 Composition

- 1.1.1 The Committee will be composed of **at least three (3) Directors and a majority of** whom shall be independent non-executive Directors (the “INEDs”) as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
- 1.1.2 The chairman/chairlady and members of the Committee (the “**Chairman**” and the “**Members**”, respectively) shall be appointed by the Board, in consultation with the Chairman.
- 1.1.3 The Chairman must be an INED.
- 1.1.4 The head of human resources department of the Company or a nominee shall act as the secretary of the Committee (the “**Secretary**”).

1.2 Quorum

- 1.2.1 The quorum of a meeting shall be **two (2) Members**.
- 1.2.2 Decisions shall be determined by a simple majority and, in the event of a tie, the Chairman shall have the casting vote.

1.3 Reporting Procedures and Frequency of Meetings

- 1.3.1 The Committee shall meet at least once every year.
- 1.3.2 Additional meetings shall be held as the work of the Committee demands.
- 1.3.3 The Chairman, any Member or the Secretary may, on the instruction of the Chairman or any Member, convene additional meetings at his/her discretion.
- 1.3.4 The Committee may, from time to time, invite advisors to the meeting, including but not limited to Board members and/or senior executives of all employing entity subsidiaries, external advisors or consultants to advise the Members.

- 1.35 Proceedings of meetings of the Committee shall be governed by the relevant provisions of the articles of association of the Company (as amended from time to time) or such proceedings of meetings and adopted by the Company from time to time.
- 1.36 The Chairman or (if absent) the other Member or failing this, his/her delegate should attend the annual general meetings of the Company, and handle the enquiry of BGMC's shareholders on the activities and responsibilities related to the Committee at such meetings.

1.4 Duties, Powers And Functions

The Committee shall –

- 1.41 consider all remuneration matters below for the Company and its employing entity subsidiaries;
- 1.42 formulate a remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, time commitment, employment conditions, and responsibilities, and individual performance of the Directors, senior management, and the general staff. Performance shall be measured against the corporate goals and objectives resolved by the Board from time to time; and implement the remuneration policy laid down by the Board;
- 1.43 take into consideration the views of senior management and other experts as necessary on specific conditions regarding each employing entity within the BGMC group;
- 1.44 without prejudice to the generality of the foregoing:
- (a) establish guidelines for the recruitment of the Company's chief executive officer (the "CEO") and senior management;
 - (b) recommend to the Board the policy and structure for the remuneration of the Directors (including the non-executive Directors, and the CEO as an ex-officio member of the Board) and senior management whilst ensuring no Director or any of his associates is involved in deciding his/her own remuneration;
 - (c) determine, with delegated responsibility, the remuneration of the executive Directors (including the CEO who is an ex-officio member of the Board) and senior management, including benefits in kind, pension rights, compensation payments (including any compensation payable for loss or termination of office or appointment etc). The Chairman and/or the CEO shall be consulted respectively about their proposals relating to the remuneration of the CEO and/or senior management, as the case may be;
 - (d) review and approve the compensation arrangements in connection with any loss or termination of their office or appointment, to the executive Directors and senior management, which shall be fair and not excessive;

- (e) review and approve compensation arrangements relating to the dismissal or removal of the Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (f) determine the criteria for assessing employee performance, which reflect the Company's business objectives and targets;
- (g) consider the annual performance bonus for the executive Directors, senior management, and the general staff, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendation to the Board;
- (h) engage such external professional advisors to assist and/or advise the Committee on issues as it considers necessary;
- (i) review and/or approve matters relating to share schemes of the Company;
- (j) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (k) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

1.5 Reporting Procedures

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