



**GOLDSTONE INVESTMENT GROUP LIMITED**  
**金石投資集團有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 901)**

Terms of Reference of Remuneration Committee  
(Approved by the Board on 22 March 2012)  
(Revised by the Board on 13 January 2013)

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Reference to “**the Committee**” shall mean the Remuneration Committee of Goldstone Investment Group Limited.

Reference to “**the Board**” shall mean the board of directors of Goldstone Investment Group Limited.

Reference to “**the Company**” shall mean Goldstone Investment Group Limited and reference to “the group” shall mean the Company and its subsidiary undertakings.

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**1. Membership**

- 1.1 Members of the Committee shall be appointed by the Board, where appropriate, in consultation with the Chairman of the Committee. The Committee shall be made up of at least three members;
- 1.2 Majority of members of the Committee shall be independent non-executive directors. The Chairman of the Board shall not be a member of the Committee;
- 1.3 Only members of the Committee have the right to attend Committee meetings. Other individuals such as the Chairman of the Board, the Managing Director and Head of Human Resources, may be invited to attend all or part of any meeting as and when appropriate;
- 1.4 Appointments to the Committee shall be for such initial period (subject to extension) as prescribed by the Board; and
- 1.5 The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their members (who shall be an independent non-executive director) to chair the meeting.

**2. Secretary**

The Chairman shall nominate a secretary to the Committee.

### **3. Quorum**

The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **4. Frequency of Meetings**

The Committee shall meet at least once a year and otherwise as required.

### **5. Notice of Meetings**

5.1 Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its members; and

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend at least 14 days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at least 3 days in advance of the meeting.

### **6. Minutes of Meetings**

The Chairman of the Committee shall arrange for keeping of records of resolutions passed at Committee meetings, and circulate the same to all members of the Committee within a reasonable time (generally within 14 clear days) after each meeting for their comment and, once agreed and finalized, to all members of the Board and the Committee for their records.

### **7. Annual General Meeting**

The Chairman of the Committee should, as far as practicable, attend the Annual General Meeting and make himself available to respond to any shareholders' questions on the Committee's activities.

### **8. Duties**

8.1 The Committee shall:

8.1.1 consider management recommendation, and determine the Company's framework or broad policy for the remuneration of all directors' and senior management and establish a formal and transparent procedure for developing remuneration policy;

8.1.2 determine the policy and scope of pension and compensation arrangements for executive directors and senior management, including any compensation payable for loss or termination of their office or appointment;

8.1.3 review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

8.1.4 consult the Chairman of the Board and/or Managing Director about their remuneration proposals for other executive directors;

- 8.1.5 within the terms of the agreed policy, determine with delegated responsibility the total individual remuneration package of each executive director and senior management including, where appropriate, bonuses, incentive payments, share options, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- 8.1.6 in determining such remuneration packages and arrangements, give due regard to salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 8.1.7 make recommendations to the Board on the remuneration of non-executive directors;
- 8.1.8 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 fair and not excessive;
- 8.1.9 review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure they are consistent with contractual terms and are reasonable and appropriate;
- 8.1.10 ensure that no director or any of his associates is involved in deciding his own remuneration;
- 8.1.11 ensure that provisions regarding disclosure of remuneration in the Company's annual report are fulfilled;
- 8.1.12 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 8.1.13 make available the Committee's terms of reference, explain its role and the authority delegated to it by the Board by including them on the Exchange's website and the Company's website;
- 8.1.14 when appropriate review and, where necessary, make recommendations to the Board for the updating of the Committee's terms of reference;
- 8.1.15 to review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**the Listing Rules**"); and
- 8.1.16 consider and implement other matters, as defined or assigned by the Board or otherwise required by the Listing Rules from time to time.

## **9. Reporting Responsibilities**

- 9.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities; and
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

**10. Authority**

10.1 The Committee is authorised to obtain, at the Company's expense, outside legal or other independent professional advice on any matter within its terms of reference.

10.2 The Committee should be provided with sufficient resources to perform its duties.

Remarks:

- i. "Senior management" refers to the same persons referred to in the Company's annual report and required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the Group as, in the opinion of the Company's directors, is appropriate.
- ii. If there is any inconsistency between the English and Chinese versions of these terms of reference, the English version shall prevail.