



MILAN STATION HOLDINGS LIMITED
米蘭站控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1150)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. Membership

- 1.1 The Remuneration Committee shall be appointed by the Board and should comprise a minimum of three members (the “**Members**”).
- 1.2 The majority of Members shall be independent non-executive Directors.
- 1.3 The Board shall appoint the chairman of the Remuneration Committee. The chairman must be an independent non-executive Director.
- 1.4 The term of appointment of each Member shall be determined by the Board upon his/her appointment.

2. Secretary

- 2.1 The company secretary of the Company shall be the secretary of the Remuneration Committee.
- 2.2 The Remuneration Committee may from time to time appoint another secretary with appropriate qualification and experience.

3. Meetings

- 3.1 The Remuneration Committee shall hold at least one meeting each year.
- 3.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each Member, and to any other person required to attend in relation to all regular meetings of the Remuneration Committee, at least 14 days before the date of the meeting; and in relation to continued meetings held within 14 days, no prior notice is required.
- 3.3 The quorum of Remuneration Committee meetings shall be two Members, one of them should be an independent non-executive Director.
- 3.4 The Members may attend meetings either in person, by telephone or through other electronic means of communication (which are available to all attended parties).
- 3.5 Resolutions of the Remuneration Committee shall be passed with a majority of votes of the Members.

- 3.6 Resolutions signed by all Members will be treated valid as if it is passed in the meeting held by the Remuneration Committee.
- 3.7 Minutes of the Remuneration Committee meetings shall be kept by the secretary of the Remuneration Committee and shall be available for inspection by any Member and/or any Director at any reasonable time on reasonable notice. Draft and final versions of minutes of meetings shall be sent to all Members for their comments and records, within a reasonable time after the meeting. Once they are agreed, the secretary of the Remuneration Committee shall circulate the minutes and reports of the Remuneration Committee to all members of the Board.

4. Attendance of Meetings

- 4.1 Upon invitation by the Remuneration Committee, the chairman of the Board and/or the general manager or the chief executive, external consultant and other Board members may attend all or any of the meetings.
- 4.2 Only the Members shall have the voting powers.

5. Annual general meetings

- 5.1 The chairman of the Remuneration Committee shall endeavour to attend the annual general meetings of the Company and be prepared to respond to any questions from the shareholders of the Company (the “**Shareholders**”) on the Remuneration Committee’s activities. If the chairman of the Remuneration Committee is unable to attend, a Member (who must be an independent non-executive Director) shall attend the annual general meeting of the Company. Such person shall be prepared to respond to any questions from the Shareholders on the Remuneration Committee’s activities.

6. Duties and responsibilities

The duties and responsibilities of the Remuneration Committee shall be:

- 6.1 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;
- 6.2 to review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
- 6.3 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;
- 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 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;
- 6.7 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;
- 6.8 to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration; and
- 6.9 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.

7. Reporting responsibilities

- 7.1 After each meeting, the Remuneration Committee shall report formally to the Board on all matters within its duties and responsibilities.

8. Authority

- 8.1 The Remuneration Committee should consult the chairman and/or the general manager or the chief executive of the Company about their remuneration proposals for other executive Directors.
- 8.2 The Remuneration Committee is authorized by the Board when necessary to seek any remuneration information it requires from senior management of the Company in order to perform its duties.
- 8.3 The Remuneration Committee is authorized by the Board when necessary to obtain outside legal or other independent professional advice in connection with its duties at the Company's expense.

Note: All such arrangements of obtaining outside legal or other independent professional advice may be made by the company secretary of the Company.

- 8.4 The Remuneration Committee should be provided with sufficient resources to perform its duties.

“Senior management” refers to the same category of persons as referred to in the Company's annual report. It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the directors, is appropriate.