



# Poly Property Group Co., Limited

## 保利置業集團有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00119)**

### TERMS OF REFERENCE OF REMUNERATION COMMITTEE

#### **Establishment and Objectives**

1. The remuneration committee (the “Committee”) is established by the board of directors (the “Board”) of Poly Property Group Co., Limited (the “Company”, together with its subsidiaries, the “Group”) with a view to:
  - (a) establishing a formal and transparent policy on directors' remuneration and other remuneration related matters, with a formal and transparent procedure in place for setting policies on executive directors' remuneration and all directors' remuneration packages;
  - (b) ensuring remuneration levels should be sufficient to attract and retain directors to run the Company successfully without paying more than necessary; and
  - (c) ensuring no director should be involved in deciding that director's own remuneration.

#### **Membership**

2. The members of the Committee shall be appointed by the Board from among the directors of the Company and shall be composed of a majority of independent non-executive directors.
3. The chairman of the Committee (the “Chairman”) shall be appointed by the Board and shall be an independent non-executive director.

## **Secretary**

4. The company secretary of the Company shall act as the secretary of the Committee.

## **Proceedings and Frequency of Meetings**

5. The Committee shall meet as and when necessary or at the request of any Committee member. The meetings and proceedings of the Committee shall be governed by the provisions of the articles of association of the Company for regulating the meetings and proceedings of the Board, provided that such provisions shall apply to the Committee and shall not be superseded by the rules imposed by the Board.
6. The Committee shall meet at least once a year; the Committee shall convene additional meetings if necessary for its work.

## **Authorization**

7. The powers of the Committee are conferred by the Board, therefore the Committee is required to report its decisions or recommendations to the Board unless restricted by laws or regulatory requirements.
8. The Committee is granted the authority to require the management of the Group to provide support for the work of the Committee, and the Committee may independently and directly contact the senior management of the Group. The Committee may require any senior management or employee to attend meetings of the Committee or to respond promptly to questions raised by the Committee.
9. The Committee is authorised by the Board under the terms of reference to access any information it requires from any director and employee of the Company to perform its duties and to direct all relevant persons to cooperate with the Committee.
10. The Committee is provided with sufficient resources by the Company to perform its duties. The budget for such resources shall be monitored and approved by the Board. Where necessary, independent professionals may be appointed in the performance of its duties.
11. For the purposes of this document, "senior management" refers to the same persons referred to in the Company's annual report and is subject to disclosure pursuant to Appendix D2 to

the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

## **Duties**

12. The Committee shall:-

- (a) 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) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) 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) consult the chairman and/or managing director about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice if necessary;
- (e) make recommendations to the board on the remuneration of non-executive directors;
- (f) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (g) 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;
- (h) 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;
- (i) ensure that no director or any of their associates is involved in deciding that director's own remuneration; and

- (j) review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

### **Reporting procedures**

13. The Committee shall report to the Board on a regular basis. The full minutes of the Committee meetings shall be kept by the secretary of the Committee. The draft and final versions of the minutes of the meetings shall be sent to all Committee members for review within a reasonable time. At the next Board meeting following the Committee meeting, the Chairman shall report to the Board the deliberations and recommendations of the Committee. The Committee shall report to the Board at least once a year on the work and deliberation results of the Committee during the year.

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