

**China Goldjoy Group Limited**  
(Incorporated in the Cayman Islands with limited liability)  
(Stock code: 1282)  
(the "Company")

**TERMS OF REFERENCE**  
**OF**  
**REMUNERATION COMMITTEE**  
(the "Committee")

*(adopted pursuant to directors' resolutions dated 28 March 2012 and updated on 12 December 2014 and 2 November 2015)*

**1. Membership**

- 1.1 The Committee shall consist of not less than three members appointed by the board of directors of the Company (the "Board") and comprises a majority of independent non-executive directors of the Company.
- 1.2 The chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director.
- 1.3 The members of the Committee shall not have personal financial interest (other than being a shareholder of the Company) and conflicts of interest arising from cross-directorships.
- 1.4 The term of membership will be one year from the date of appointment subject to renewal and shall be governed by the provisions of the Articles of Association of the Company.
- 1.5 The appointment of the members of the Committee maybe revoked, and new appointment be made in place by resolutions passed by the Board and by the Committee.
- 1.6 No alternate Committee member can be appointed.
- 1.7 The company secretary of the Company or his/her nominee shall act as the secretary of the Committee.

## **2. Frequency and proceedings of meetings**

- 2.1 The Committee shall aim to meet at least twice a year. Additional meetings should be held as and when the Committee considers necessary. The chairman of the Committee may convene additional meetings at his discretion. Notice of meetings shall be given to all members of the Committee.
- 2.2 The quorum of a meeting shall be two members of the Committee of whom at least one is an independent non-executive director.
- 2.3 A member of the Committee shall abstain from voting and shall not be counted in the quorum in the meeting in respect of the resolution regarding the remuneration payable to him.
- 2.4 Unless expressly provided otherwise, proceedings of meetings of the Committee shall be governed by the provisions of the Articles of Association of the Company.

## **3. Notice of Meetings**

- 3.1 Notice of any meetings has to be given at least 14 days prior to any such meeting being held, unless all members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a member shall be deemed waiver of the requisite length of notice by the member. Notice of any adjourned meetings is not required if adjournment is for less than 14 days.

## **4. Committee's Resolutions**

- 4.1 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 and may contain in one document or in several documents in like form each signed by one or more of the members of the Committee. Such resolution may be signed by fax. This provision is without prejudice to any requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for a Board or Committee meeting to be held.

## **5. Authority**

- 5.1 The Committee is authorised by the Board to review, assess and make recommendations upon any issue within its terms of reference and all employees are directed to cooperate as requested by members of the Committee.
- 5.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice if deemed required and to invite the attendance of outsiders with relevant experience and expertise if it considers necessary.
- 5.3 The Committee should be provided with sufficient resources to perform its duties.

## **6. Responsibility**

- 6.1 The Committee is to review and make recommendations concerning the remuneration packages and benefits of the directors and senior management of the Company as an independent and impartial committee, who has no personal financial interest in the package and/or benefits recommended and who, in setting of those remuneration packages, will consider and give due regard to both the performance levels of, and a fair reward for the directors and senior management of the Company and to the interest of all the shareholders of the Company in the light of the financial and commercial circumstances of the Company from time to time. No director shall be involved in deciding his own remuneration.
- 6.2 The Committee should consult the chairman of the Board and/or chief executive officer about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice if necessary.

## **7. Duties, powers and functions**

7.1 The Committee is: -

- (a) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) either:
  - (i) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or
  - (ii) 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;

- (d) to make recommendations to the Board on the remuneration of non-executive directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- (f) to review and evaluate the performance of individual executive director in the relevant financial year in determining the amount of any discretionary bonus to be payable to him/her;
- (g) to determine the time of payment of any such bonus;
- (h) 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;

- (i) 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;
- (j) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;
- (k) to consider the granting of share options to directors of the Company pursuant to any share option scheme adopted by the Company;
- (l) to ensure due compliance with any relevant disclosure requirements in respect of the remuneration of directors under the Listing Rules, the Companies Ordinance and any other statutory requirements;
- (m) to disclose details of any remuneration payable to members of senior management by band in the Company's annual reports;
- (n) to review and make recommendations to the Board regarding the pension arrangements for directors and senior management;
- (o) to report to the Board on any suspected irregularities in the reimbursement of unreasonable out-of-pocket expenses of directors;
- (p) to review and approve the interim reports, annual reports, announcements and circulars or any publication of the Company regarding information on the remuneration and service contracts of the directors prior to approval by the Board;
- (q) to engage such external legal, financial or other professional advisers to assist and/or advise it on issues as it considers necessary;
- (r) to conduct exit interviews with any directors and senior management upon their resignation in order to ascertain the reasons for

resignation;

- (s) to consider other matters, as defined or assigned by the Board from time to time;and
- (t) to ensure the chairman of the Committee, or in the absence of the chairman, another member of the Committee or failing this his duly appointed delegate, to be available to answer questions at the annual general meeting of the Company.

## **8. Reporting Procedures**

- 8.1 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 chairman of the Committee shall report to the Board on the work, significant decisions, findings and recommendations of the Committee since the last Board meeting.
- 8.2 The secretary of the Committee shall circulate the minutes of meetings and all written resolutions of the Committee to all members of the Board, keeping the Board informed of the Committee's activities, decisions and recommendations on a regular basis. The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meeting held during that financial year.

## **9. Availability and update of the terms of reference**

- 9.1 These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. the Listing Rules) in Hong Kong. These terms of reference shall be made available to the public, explaining its role and the authority delegated to it by the Board by including them on the websites of The Stock Exchange of Hong Kong Limited and the Company.
- 9.2 The Board may, subject to compliance with the Articles of Association of the Company and the Listing Rules (including the Corporate Governance

Code set out in Appendix 14 to the Listing Rules or, if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act or resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.