

**ASR HOLDINGS LIMITED**  
**瀚洋控股有限公司**

**REMUNERATION COMMITTEE - TERMS OF REFERENCE**  
**(revised and adopted on 27 March 2012)**

**1. Membership**

- 1.1 The Remuneration Committee shall be appointed by the Board of Directors (the “**Board**”).
- 1.2 The majority of the members (the “**Members**”) of the Remuneration Committee shall be independent non-executive Directors.
- 1.3 The Board shall appoint the chairman of the Committee who shall be an independent non-executive Director.

**2. Secretary**

- 2.1 The Company Secretary shall be the secretary of the Remuneration Committee.
- 2.2 Notwithstanding any other provisions in these terms of reference, the Remuneration Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Remuneration Committee.

**3. Meetings**

- 3.1 The Remuneration Committee shall meet at least once a year.
- 3.2 Notice of any meetings has to be given at least 7 days prior to any such meeting being held provided that if a meeting is called by a shorter notice, it shall be deemed to have been duly called if it is so agreed by a majority of the Members. A Member who attends such a meeting shall deem to agree to the shorter notice. Notice of any adjourned meetings is not required if the adjournment is less than 14 days.
- 3.3 The quorum of the Remuneration Committee shall be any two Members.

- 3.4 Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment provided that all persons participating in the meeting are capable of hearing each other.
- 3.5 Resolutions of the Remuneration Committee at any meetings shall be passed by a majority of votes of the Members present.
- 3.6 A resolution in writing signed by all the Members of the Remuneration Committee shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.
- 3.7 Minutes shall be kept by the secretary of the Remuneration Committee. Draft and final versions of minutes shall be circulated to all Members for their comment and records respectively, in both cases within a reasonable period of time after the meeting.

#### **4. Attendance and Voting at Meetings**

- 4.1 At the invitation of the Remuneration Committee, the Chairman of the Board and/or the Chief Executive Officer (if not a member of the Remuneration Committee), external advisers and other persons may attend all or part of any meetings.
- 4.2 Only Members of the Remuneration Committee are entitled to vote at the meetings.

#### **5. Annual General Meeting**

- 5.1 The Chairman of the Remuneration Committee or in his absence, another member of the Remuneration Committee or failing this, his duly appointed delegate, shall attend the Company's annual general meeting of the Company and be prepared to answer questions at the annual general meeting on the Remuneration Committee's activities and their responsibilities.

## **6. Continuing application of the articles of association of the Company**

6.1 The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

## **7. The level and make-up of remuneration and disclosure**

7.1 An issuer should disclose its directors' remuneration policy and other remuneration related matters. The procedure for setting policy on executive directors' remuneration and all directors' remuneration packages should be formal and transparent. Remuneration levels should be sufficient to attract and retain directors to run the company successfully without paying more than necessary. No director should be involved in deciding his own remuneration.

7.2 Issuers should disclose details of any remuneration payable to members of senior management by band in their annual reports.

## **8. Responsibility and Powers**

The Remuneration Committee shall have the following duties and powers:

8.1 to make recommendations to the board on the issuer'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;

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

8.3 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;

8.4 to make recommendations to the Board on the remuneration of non-executive Directors;

8.5 to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;

8.6 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;

8.7 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; and

8.8 to ensure that no director or any of his associates is involved in deciding his own remuneration.

The Remuneration Committee is authorized by the Board:-

8.9 to consult the chairman of the Board and/or the chief executive about their remuneration proposals for other executive directors. The Remuneration Committee should have access to independent professional advice if necessary;

## **9. Reporting**

9.1 The Remuneration Committee shall report to the Board after each meeting.

## **10. Authority**

10.1 The Remuneration Committee shall consult the Chairman of the Board and/or Chief Executive Officer about their proposals relating to the remuneration of other executive Directors and senior management <sup>Note 1</sup>.

10.2 The Remuneration Committee is authorized by the Board to seek any remuneration related information it requires from senior management of the Company in order to perform its duties;

10.3 The Remuneration Committee is authorized by the Board where necessary to have access to independent professional advice <sup>Note 2</sup>.

10.4 The Remuneration Committee shall be provided with sufficient resources to perform its duties.

## **11. Publication of the Terms of Reference**

11.1 The remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board by including them on the Exchange's website and the Company's website.

### Notes:

1. "senior management" should refer to the same category of persons as referred to in the Company's annual report and is required to be disclosed under Appendix 16 of the Listing Rules.
2. Arrangement to seek professional advice could be made through Company Secretary.