



## Chen Xing Development Holdings Limited

辰興發展控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(hereafter the “**Company**”)

(Stock Code: 2286)

### Remuneration Committee - Terms of Reference

#### 1. **Members**

- 1.1 The remuneration committee should be established by the board of the Company (“**Board**”).
- 1.2 The majority of remuneration committee members (“**Members**”) must be independent non-executive directors.
- 1.3 The remuneration committee must be chaired by an independent non-executive director and be appointed by the Board.
- 1.4 The term of appointment to remuneration committee members are determined by the Board at the appointment date.

#### 2. **Secretary**

- 2.1 The company secretary of the Company shall act as the secretary of the remuneration committee.
- 2.2 The remuneration committee may from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the remuneration committee.

### 3. **Meeting**

- 3.1 The remuneration committee should meet at least once a year.
- 3.2 Notice of at least 14 days should be given for any meeting, unless such notification is waived by all members of the remuneration committee. Notwithstanding the notification period, the attendance of the member of the committee at the meeting would be deemed as constituting the waiver of the required notification requirement as prescribed herein. If the follow-up meeting takes place within 14 days after the meeting, then no notification is required for such follow up meeting.
- 3.3 The quorum necessary for the transaction of business of the remuneration committee shall be two members of the remuneration committee, one of whom must be an independent non-executive director.
- 3.4 Meeting can be attended in person or via electronic means including teleconferencing or videoconferencing. The members of the remuneration committee can attend the meeting via telephonic or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).
- 3.5 The resolution of the remuneration committee should be passed by more than half of the members.
- 3.6 The resolution passed and signed by all members of the remuneration committee is valid, and the validity is same as any resolution passed in the meeting held.
- 3.7 Full minutes of remuneration committee meeting should be kept by a duly appointed secretary of the remuneration committee and be available for review by the directors of the Company. Draft and final versions of minutes of the meeting should be sent to all remuneration committee members for their comment and records, within a reasonable time after the meeting.

#### **4. Meeting attendance**

- 4.1 Upon invitation from the remuneration committee, the chairperson of the Board and/or the general manager or the chief executive officer, external advisor and the other persons can be invited to attend all or part of any meeting.
- 4.2 Only the member of remuneration committee can vote in the meeting.

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

- 5.1 The chairperson of remuneration committee or, if absent, another member of remuneration committee (must be an independent non-executive director) should attend the annual general meeting of the Company, handled the shareholders' enquiry on the activities and responsibilities related to the remuneration committee.

#### **6. Duties and Powers**

The remuneration committee shall have the following duties and powers:

- 6.1 to make recommendations to the Board on the Company's policy and structure for remunerations of all directors and members of the senior management, as well as on the establishment of a formal and transparent procedure for developing the 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 either: (i) to determine, with delegated responsibility, the remuneration packages of individual executive directors and members of the senior management; or (ii) to make recommendations to the Board on the remuneration packages of each individual executive director and senior management member. This should include benefits in kind, pension rights and compensation payments, comprising 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 Company and/or its subsidiaries;
- 6.6 to review and approve the compensation payable to executive directors and members of 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 associates is involved in deciding his own remuneration; and
- 6.9 to consider and approve the grant of share options to eligible participants pursuant to the share option scheme.

## **7. Reporting**

- 7.1 The remuneration committee shall report to the Board on the key issues covered in each meeting of the remuneration committee when it is held.

## **8. Authority**

- 8.1 The remuneration committee should consult the chairperson of the Board and/or the chief executive about their remuneration proposals for other executive directors.
- 8.2 The remuneration committee is authorised to request the senior management of the Company to provide any required resources or information related to the remuneration package to perform its duties.
- 8.3 Each member of the remuneration committee should have access to independent professional advice at the expense of the Company, if necessary, in order to fulfill his responsibility of being the remuneration committee member.

*Remark: the independent professional advice can be sought via the company secretary.*

8.4 The remuneration committee should be provided with sufficient resources to perform its duties.

*Remark: “senior management member” refers to the same persons 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 members. Senior management members may include directors of subsidiaries, heads of divisions, departments or other operating units within the Company and/or its subsidiaries as, in the opinion of the Company’s directors, is appropriate.*