



**MAN YUE TECHNOLOGY HOLDINGS LIMITED**  
**萬裕科技集團有限公司**

**Terms of Reference**  
**for**  
**the Remuneration Committee**

adopted and amended on 22 March 2006 and 14 March 2012 respectively  
by the Board of Directors

**MAN YUE TECHNOLOGY HOLDINGS LIMITED**  
(the “Company”)

Terms of Reference for the Remuneration Committee

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**Constitution**

1. The board of directors of the Company (the “Board”) resolved on 22 March 2006 to establish a committee of the Board known as the Remuneration Committee (the “Committee”).

**Objective**

2. The Committee is to assist the Board to oversee the remuneration packages of the Company and its subsidiaries (collectively, the “Group”) payable to their directors and the members of their senior management.
3. The Committee is to determine the specific remuneration packages of all executive directors and senior management of the Company and to establish a transparent procedure for developing policy on such remuneration.

**Membership**

4. The members of the Committee shall be appointed by the Board from amongst the non-executive directors of the Company and shall consist of not less than three members, at least one of whom is an independent non-executive director of the Company and shall have an understanding of remuneration policies and practices.
5. The majority of the members of the Committee shall be independent non-executive directors of the Company.
6. The Chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director of the Company.

**Committee Secretary**

7. The Head of Human Resource Department of the Company shall act as the secretary of the Committee.

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**Quorum and voting**

8. The quorum of the Committee’s meeting shall be two Committee members, at least one of whom shall be an independent non-executive director. Questions arising at any Committee’s meeting shall be decided by a majority of votes. In the case of equality of votes, the chairman of the meeting shall have an additional or casting vote.

**Attendance at Meetings**

9. Members of the Committee may participate in any meetings of the Committee either in person or by means of a conference telephone or similar communications by which all persons participating in the meeting can hear each other.
10. The Committee may invite any executive director and/or any other person(s) to attend part or whole of its meetings as it may at its absolute discretion think as necessary. Other Board members shall also have the right to attend (but shall have no right to vote at) any of the Committee’s meetings. However, no directors or senior management of any member of the Group or any of their respective associates may attend that part of the Committee’s meeting at which any matters relating to his or her or their remuneration will be discussed and/or decided.

**Frequency of Meetings**

11. The Committee will meet as and when required to discharge its responsibilities, but not less than once annually. Meetings of the Committee should be called as soon as practicable when there is a proposed change in the terms of remuneration of directors or senior management of the Group or their appointment or resignation.

**Arrangement for and notices of meetings**

12. All meetings of the Committee will be called by the secretary or the chairman of the Committee or any persons as instructed by the chairman of the Committee, or at the request of the Board.

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13. Notices of at least 14 days shall be given to all members of the Committee for regular meetings of the Committee. For other meetings, reasonable notices shall be given.
14. If any member of the Committee wishes to include any matter in the agenda for a particular regular meeting of the Committee after the issue of the notice of such meeting, he or she may notify the secretary of the Committee the proposed matter(s) in writing within seven days after the notice of the regular meeting is given.

**Access to services of company secretary**

15. The Committee shall be provided with sufficient resources to perform its duties. Members of the Committee shall have access to the advice and services of the company secretary of the Company to ensure that Committee procedures and all applicable rules and regulations are followed.

**Minutes of meetings**

16. The minutes of meetings of the Committee shall be kept by the secretary of the Committee.
17. Draft and final versions of each minutes of the Committee’s meeting shall be sent to all Committee members for their comments and records respectively within a reasonable time after the meeting was held. Minutes of meetings of the Committee are open for inspection by any directors of the Company at the principal place of business of the Company at any reasonable time after a reasonable prior notice has been served on the secretary of the Committee.

**Authorities**

18. The Committee is authorised by the Board:-
  - (a) to be supported by the Human Resource Department of the Company and to obtain any information it requires from any employee(s) of the Company; and

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- (b) to obtain or retain outside legal or other professional advice at the Company’s expenses as appropriate.

**Duties**

19. The duties of the Committee shall be:-

- (a) to make recommendations to the Board of the Company’s policy and structure for the remuneration of all directors and senior management of the Group, 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) to decide, with consultation with the Chairman of the Board, where to position the Company relative to others in terms of remuneration level and Board composition. To meet this end, the Committee is required to be cognizant of the current situation in respect of comparable companies in the area of directors’ remuneration;
- (d) to have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the board of the remuneration of non-executive directors. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group and desirability of performance-based remuneration;
- (e) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment, to ensure that they consistent with contractual terms, and are otherwise fair and not excessive for the Company;

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- (f) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with the contractual terms and that are otherwise reasonable appropriate;
- (g) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (h) to prepare appropriate disclosure concerning the Committee to be included in the Corporation Governance Report in the Company’s annual reports, to at least meet the level of disclosure set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time); and
- (i) to ensure that the Committee’s terms of reference are made available to the shareholders of the Company and other interested parties, through being posted on the websites of The Stock Exchange of Hong Kong Limited and the Company and being made available on request from the secretary of the Committee.

**Reporting procedures**

20. The chairman of the Committee shall report formally to the Board on the Committee’s proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its duties and responsibilities where action or improvement is needed.