

**Richfield Group Holdings Limited**  
**(the “Company” which together with its subsidiaries, the “Group”)**

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**REMUNERATION COMMITTEE**  
**TERMS OF REFERENCE**

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**1. Members and Secretary**

- 1.1 The remuneration committee shall be chaired by an independent non-executive director of the Company (the “**INED(s)**”), and the majority of the members (the “**Committee Member(s)**”) of the remuneration committee of the Company (the “**Remuneration Committee**”) shall be INED.
- 1.2 The chairman of the Remuneration Committee shall be appointed by the board of directors of the Company (the “**Director(s)**”) (the “**Board**”).
- 1.3 The secretary of the Remuneration Committee (the “**Secretary**”) shall be appointed by the Board.
- 1.4 The appointment of additional Committee Members or the determination of the office of any Committee Members or the Secretary shall be allowed only by resolutions passed by the Board and the Remuneration Committee respectively.

**2. Proceedings of meetings**

- 2.1 The Remuneration Committee shall meet at least once every year. Additional meetings shall be held as the work of the Remuneration Committee requires.
- 2.2 Notice of any meetings has to be given at least 7 clear 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 meeting is not required if adjournment is less than 14 days.
- 2.3 The Committee Member or the Secretary convening a meeting shall provide to other Committee Members and the Secretary information about the purposes of the meeting, the time, venue and agenda of the meeting and shall supply to each of them all relevant documents of the meeting and such documents shall be despatched together with the agenda of the meeting. The agenda of the meeting shall be despatched together with the notice convening the meeting (or the written confirmation of the meeting).
- 2.4 Meetings may be held in person, by telephone or video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 2.5 The quorum of a meeting shall be any two members (excluding the Secretary) and at least one of whom shall be INED. The quorum shall be present at the commencement of and throughout (except during breaks) the meeting.

- 2.6 Each Committee Member present in a meeting shall have one vote. All resolutions passed in the meeting shall be by majority votes. If the votes for and against a resolution are equal, the chairman of the meeting shall have a casting vote.
- 2.7 Save for and except with approval from the majority members who present at a Committee Meeting, no persons other than the Committee Members or the Secretary shall be allowed to attend any Committee Meetings.
- 2.8 The Remuneration Committee may, from time to time, invite advisers to the Committee Meeting, including but not limited to external advisors or consultants to advise on the Committee Members.

### **3. Annual General Meeting**

The chairman of the Remuneration Committee or in his/her absence, another member of the Remuneration Committee, shall attend the Company's annual general meeting and be prepared to respond to shareholders' questions on the Remuneration Committee's activities and their responsibilities.

### **4. Circulation of minutes and written resolutions**

- 4.1 The Secretary shall keep record of all minutes of such meetings. The draft minutes of each meeting shall be circulated to all the Committee Members. The minutes shall be confirmed by the chairman of that particular meeting signing the same or confirmed by resolutions passed in the following Committee Meeting or board meeting. All Directors shall, at any time, have access to the minutes of the Committee Meetings.
- 4.2 After the signing by the chairman of the Committee Meeting on the minutes and written resolutions by the Committee Members, a copy of the minutes or the written resolutions shall be despatched to the Directors (including non-executive Director) for records (with regard to the minutes and written resolutions of the Remuneration Committee, unless instructed otherwise by its members).
- 4.3 Written resolutions must be passed by all Committee Members.

### **5. Authority of the Remuneration Committee**

The Remuneration Committee shall have the following powers:

- (a) to make recommendations to the Board on the Company's policy and structure for all Directors' and Senior Management remuneration (as defined below) 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 review and approve compensation payable to Executive Directors and Senior Management (as defined below) for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and otherwise fair and not excessive;
- (d) 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;
- (e) to do any such things to enable the Remuneration Committee to discharge its powers and functions conferred on it by the Board; and
- (f) to be provided with sufficient resources to perform its duties.

For the purpose of clauses 5 and 6, “**Senior Management**” means individual or individuals which are determined by the Board as senior management of the Company, it should include all those same category of persons referred to in the annual report of the Company. Senior management may also include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the Directors, appropriate.

## **6. Responsibilities of the Remuneration Committee**

The Remuneration Committee shall:

- (a) make recommendation to the Board on the remuneration packages of individual executive directors, which should include 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 on the remuneration of Non-executive Directors, and also review and make recommendations on the Company’s share option scheme and other compensation-related issues. The Remuneration Committee should consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;
- (b) ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (c) determine the criteria for assessing employee performance, which should reflect the Company’s business objectives and targets;
- (d) consider the annual performance bonus for Executive Directors, Senior Management and the general staff, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendation to the Board;
- (e) to engage external professional advisers to advise the Remuneration Committee on issues as the Remuneration Committee considers necessary;
- (f) to consult the chairman and/or chief executive about their remuneration proposals and recommendations for other executive directors and should have access to independent professional advice if considered necessary;

- (g) advise shareholders on how to vote with respect to any service contracts of the Directors that require shareholders' approval under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"); and
- (h) report to the Board the findings and recommendations of the Remuneration Committee at the next meeting of the Board following each Committee Meeting.

## **7. The articles of association of the Company**

- 7.1 These terms of reference shall not prevail the articles of association of the Company, in particular for the provisions where a director is not allowed to vote in the case of conflicts of interest.
- 7.2 The provisions relating to the proceedings of the meetings of the Directors stipulated in the articles of association not mentioned above shall be applicable to the proceedings of the Committee Meetings.
- 7.3 The articles of association of the Company regulating the meetings and proceedings of the Directors, so far as the same are applicable and not inconsistent with the provisions of these regulations, shall apply to regulate the meetings and proceedings of the Remuneration Committee.

## **8. Powers of the Board**

Provided that it does not contravene the articles of association of the Company and the Listing Rules (including the Code on Corporate Governance Practices), the Board can, from time to time, amend, make addition to or cancel any regulations and rules stipulated hereof, including the cancellation of any resolutions passed by the Remuneration Committee. Any arrangements made after the passing of a resolution of the Remuneration Committee shall remain in full force and effect notwithstanding that such resolution has been cancelled or amended by the resolutions of the Board. The Committee Meetings shall remain valid until the resolution hereof has been amended.

## **9. Address of communication, etc.**

- 9.1 Each of the Directors shall supply to the Secretary information as to his correspondence address and contact number for the purpose of receiving notices (including but not limited to notice from the Board, audit committee, nomination committee and the Remuneration Committee) issued by the Company. The Secretary shall notify each of the Directors the correspondence address and contact number of the other Directors.
- 9.2 The correspondence address and contact number of the Directors who have not supply such information to the Secretary shall be deemed to be at the Company's place of business in Hong Kong from time to time and the Company's telephone number.
- 9.3 Every notice and communication made pursuant to these terms of reference shall be despatched or sent to the correspondence address of each Director. If a notice or communication is made by means of telephone calls, message can be left in the mailbox.

9.4 The date of notice and the date of the meeting shall be inclusive in the calculation of the notice period.

**10. Appointment of alternates**

No Remuneration Committee Member shall appoint any alternates.

**11. Constitution**

The Remuneration Committee was established pursuant to a resolution passed by the Board at a meeting held on 23 March 2007 and revised by the Board resolution on 28 February 2011 and 30 March 2012 respectively.

**12. Publication of the Terms of Reference**

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 websites and the Company's website.