

# **HONG KONG TECHNOLOGY VENTURE COMPANY LIMITED**

香港科技探索有限公司

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*

(Stock Code: 1137)

**(the “Company”)**

## **TERMS OF REFERENCE OF REMUNERATION COMMITTEE (the “Committee”)**

### **1. ESTABLISHMENT**

1.1 The Committee was established pursuant to a resolution passed by the board of directors of the Company (the “Board”) at its meeting held on 29 August 2001.

### **2. OBJECTIVES**

2.1 The Committee is to:-

- (a) establish a formal, fair and transparent procedures for developing remuneration policy and structure of directors and senior management;
- (b) review and consider the Company’s remuneration policy for directors and senior management;
- (c) determine the remuneration packages of executive directors and senior management; and
- (d) recommend to the Board on the remuneration of non-executive directors .

### **3. MEMBERSHIP**

#### **Appointment and Composition**

3.1 The Committee is a committee of the Board and shall report to the Board.

3.2 The members of the Committee shall be appointed by the Board.

3.3 The Committee shall consist of a minimum of three directors, the majority of whom shall be independent non-executive directors.

3.4 The Chairman of the Committee shall be appointed by the Board.

3.5 The Board shall from time to time vary the composition of the Committee as may be required by the Rules Governing the Listing of the Securities on the Stock Exchange of Hong Kong Limited as modified from time to time or the rules of any other stock exchange in respect of which the shares of the Company are listed or quoted, or other codes, rules and regulations as may be prescribed

by the applicable regulatory authority from time to time.

#### **4. AUTHORITY**

4.1 The Committee is authorised by the Board:-

- (a) to investigate any activity within its terms of reference and to seek any information it requires from any employee for performing its duties;
- (b) to seek external or other independent professional advice as necessary to assist the Committee in carrying out its duties if it considers necessary; and
- (c) to act as an advisor to the Board.

4.2 The Committee shall consult the Chairman of the Board and/or chief executive about their remuneration proposals for other executive directors and senior management.

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

#### **5. RESPONSIBILITIES, POWERS AND DISCRETION**

5.1 The duties of the Committee shall be:-

- (a) to make recommendations to the Board on the Company'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;
- (b) to review and approve the management's remuneration proposals with reference to the Board's goals and objects;
- (c) to determine, with delegated responsibility, 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 group;
- (f) 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;

- (g) to review and approve compensation arrangements relating to dismissal or removal of directors and senior management for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (h) to ensure that no director or any of his associates or senior management is involved in deciding his own remuneration; and
- (i) to consider other issues as may be assigned from time to time by the Board.

## **6. MEETINGS**

### ***Frequency***

- 6.1 The Committee shall meet at least once per year and at such other times as the Committee determines appropriate to carry out its responsibilities.

### ***Notice***

- 6.2 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 meeting is not required if adjournment is for less than 14 days.

### ***Attendance***

- 6.3 The Committee may invite director, member of senior management or other person to attend all or part of any meetings of the Committee as may from time to time consider desirable or necessary to assist the Committee.

### ***Quorum***

- 6.4 The quorum for decisions of the Committee shall be any two members, of whom at least one has to be independent non-executive director.

### ***Resolution***

- 6.5 Resolution of the Committee shall be passed by a majority of votes.
- 6.6 In the case of an equality of votes at the meeting, the Chairman shall be entitled to an additional or a casting vote.
- 6.7 Members of the Committee could participate in a meeting of the Committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so

participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

*Minutes*

6.8 The secretary of the Committee shall prepare and send minutes of each Committee's meeting to the Committee members.

**7. SECRETARY**

7.1 The Company Secretary of the Company or his or her nominee shall act as the secretary of the Committee.

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