

**Uni-President China Holdings Ltd.**

統一企業中國控股有限公司

**Terms of reference of  
the Remuneration Committee  
of the Board of the Company**

Adopted on 23 November 2007

Revised on 27 March 2012

## DEFINITIONS

In these terms of reference, unless the context otherwise requires, the following terms have the meaning set out below:

<b>“associates”</b>	shall have the same meaning as that defined under the Listing Rules;
<b>“Board”</b>	means the Board of Directors of the Company;
<b>“Committee”</b>	means the Remuneration Committee of the Board of the Company;
<b>“Company”</b>	means Uni-President China Holdings Ltd. (統一企業中國控股有限公司);
<b>“Directors”</b>	means the directors of the Company, and <b>“Director”</b> means any one of them;
<b>“Group”</b>	the Company and its subsidiaries
<b>“Independent Non-executive Directors”</b>	means Directors meeting the requirements of independence set out in the Listing Rules, and <b>“Independent Non-executive Director”</b> means any one of them;
<b>“Listing Rules”</b>	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
<b>“senior management”</b>	means the category of persons as referred to in the Company’s annual report and persons considered as senior management under the Listing Rules.

## **Composition**

- 1** The Committee shall comprise of not less than three Directors, a majority of whom shall be Independent Non-executive Directors.
- 2** The chairman of the Committee, who shall be the chairman of the Board or an Independent Non-executive Director, shall be appointed by the Board.
- 3** Members of the Committee shall be appointed and removed by the Board. An appointment of Committee member shall be automatically revoked if such member ceases to be a member of the Board.
- 4** The secretary of the Committee shall be the company secretary of the Company or any person designated as such by the Committee from time to time.

## **Disclosure of Interests and Voting**

- 5** Each member of the Committee shall disclose to the Committee any personal financial interest in, and any potential conflict of interest arising from, any matter to be decided by the Committee. Any member of the Committee shall abstain from voting on any resolution(s) of the Committee in which he or any of his associates (as defined in the Listing Rules) has a material interest and shall not be counted towards the quorum of such a meeting at which such resolution(s) is/are considered by the Committee, unless the exceptions set out in the articles of association of the Company or note 1 to Appendix 3 to the Listing Rules apply.
- 6** No Director (including any member of the Committee) shall be involved in any decision as to his own remuneration.

## **Proceedings**

- 7** Unless otherwise agreed by all the members of the Committee (either orally or in writing), a meeting shall be called by at least seven days' notice. Irrespective of the length of notice being given, attendance of a member of the Committee at a meeting constitutes a waiver of such notice unless the member of the Committee attending the meeting attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting has not been properly convened.
- 8** Notice of meeting shall be given to each member of the Committee, and to any other person invited to attend, in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address last notified to the secretary of the Committee by such member of the Committee or in such other manner as the members of the Committee may from time to time determine. Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.

- 9 Notice of meeting shall state the purpose, time and venue of the meeting.
- 10 The quorum for meetings of the Committee shall be not less than any two of its members present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other.
- 11 A member of the Committee may and, on the request of a member of the Company, the secretary to the Committee shall, at any time convene a meeting of the Committee, but in any event meetings of the Committee are to be held not less than once every year, or at such frequency as required under the Listing Rules or other regulatory requirements applicable to the Company from time to time.

### **Authorities and Duties**

- 12 The Committee is authorised by the Board:
  - 12.1 to consider remuneration paid by companies, time commitment and responsibilities and employment conditions to directors and officers of other companies of a similar size in a comparable industry sector;
  - 12.2 where necessary, to obtain outside independent legal or other professional advice on any matters within these terms of reference as the Committee considers necessary at the cost of the Company;
  - 12.3 to secure the attendance of any person with relevant experience and expertise at Committee meetings as it considers appropriate;
  - 12.4 to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and
  - 12.5 to exercise such powers as the Committee may consider necessary and expedient so that their duties under these terms of reference can be properly discharged.
- 13 The duties of the Committee are:
  - 13.1 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;
  - 13.2 to determine on behalf of the Board the remuneration packages of individual 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 on the remuneration of non-executive Directors. In making such determination, the Committee shall consider factors such as salaries paid by comparable companies, the time commitment and responsibilities of the Directors, employment conditions elsewhere in the group of companies to which the Company belongs and the desirability of performance-based remuneration;
  - 13.3 to review and approve the management's remuneration proposals by reference to the corporate goals and objectives resolved by the Board from time to time;

- 13.4** to review and approve the 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;
  - 13.5** 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;
  - 13.6** to ensure that no Director or any of his associates is involved in deciding his own remuneration;
  - 13.7** to advise shareholders of the Company on how to vote with respect to any service contracts of Directors that require shareholders' approval under the Listing Rules or any other regulatory requirements applicable to the Company;
  - 13.8** to consult the Chairman of the Board and/or the President and/or the chief executive of the Company about the Committee's remuneration proposals relating to the remuneration of other executive Directors and have access to independent professional advice, if necessary; and
  - 13.9** to consider all other matters as referred to the Committee by the Board.
- 14** The Committee shall be provided with sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

### **Miscellaneous**

- 15** The Committee shall provide such information to the Board as is necessary to assist the Board in reporting to the shareholders each year on remuneration policy and details of the remuneration of each Director and members of senior management in accordance with the Listing Rules or other regulatory requirements applicable to the Company.
- 16** The Committee shall make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on the website of the Company and on the website of the Exchange.
- 17** The Committee shall perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.
- 18** The chairman of the Committee or in his absence, another member of the Committee shall attend the Company's annual general meeting to answer shareholders' questions at the annual general meeting on the Committee's activities and their responsibilities.
- 19** The secretary of the Committee shall, at the beginning of each meeting, ascertain and record the existence of any conflicts of interest and minute them accordingly. Full minutes of meetings of the Committee shall be kept by the secretary to the Committee and such minutes shall be open for inspection at any reasonable time on reasonable notice by any Director. The secretary to any meeting of the Committee shall circulate the minutes of the meeting of the Committee for which he or she has acted as secretary in both draft and final form to all members of the Board within a reasonable time after such meeting is held.

**20** The Committee shall report back to the Board on all of their decisions or recommendations.

**Continuation application of the articles of association of the Company**

**21** 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.

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Nothing contained in these terms of reference is intended to create, or should be construed as creating, any responsibility or liability of the members of the Committee, except to the extent otherwise provided under applicable laws and the Listing Rules.