

Regent Pacific Group Limited

Terms of reference of the Remuneration Committee

Constitution

1. By the written resolutions passed on 5 November 2004, the board of directors (the “**Board**”) of Regent Pacific Group Limited (the “**Company**” and collectively with its subsidiaries, the “**Group**”) established a committee of the Board to be known as the Remuneration Committee (the “**Committee**”).

The Board resolved to adopt written terms of reference of the Committee which deal clearly with its authority and duties on 18 March 2005, which were amended on 8 February 2010 and further amended on 13 March 2012.

Principle

- 1A. The Company should disclose its directors’ remuneration policy and other remuneration related matters. The procedure for setting policy on executive directors’ remuneration and all directors’ remuneration packages should be formal and transparent. Remuneration levels should be sufficient to attract and retain directors to run the Company successfully without paying more than necessary. No director should be involved in deciding his own remuneration.

Membership

2. The Committee shall be appointed by the Board and shall consist of not less than three members, a majority of whom should be independent non-executive directors of the Company as appointed under The Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in compliance with the criteria for independence set out therein.

The independent non-executive directors should, apart from their directors’ fees and permitted shareholdings, be independent of the management and free from any business or other relationships which could materially interfere with the exercise of their independent judgement as a member of the Committee.

3. The Chairman of the Committee shall be appointed by the Board and should be an independent non-executive director.
4. The quorum necessary for the transaction of the business at the meetings of the Committee shall be two voting members.

Secretary

5. The secretary shall be appointed by the Committee (the “**Secretary**”). The secretary shall be an employee of the Company.

Meetings and resolutions

6. The Committee shall meet as and when necessary and may request the presence of the Chairman of the Board and/or the Chief Executive Officer (if they are not members of the Committee) and/or other members of the Board (if necessary). Resolutions may also be passed by way of written resolutions to be circulated to and signed by all members of the Committee in the manner prescribed in the Company’s Articles of Association.

Authority

7. The Committee is authorised by the Board to deal with the issues within its terms of reference. It is authorised to seek any information it requires from any director and/or employee, and all directors and employees are directed to co-operate with any request made by the Committee.
8. The Committee should be provided with sufficient resources to perform its duties. It is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

9. The Committee should consult the Chairman of the Board and/or the Chief Executive Officer (if they are not members of the Committee) about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice if necessary.
10. 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’s remuneration and on the establishment of a formal and transparent procedure for developing the remuneration policy;
 - (b) to review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
 - (c) either:
 - (i) to determine, with delegated responsibility, the remuneration packages of all 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)); or

- (ii) to make recommendations to the Board on 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));
 - (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 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 the contractual terms and is otherwise fair and not excessive;
 - (g) to review and approve the compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with the contractual terms and are otherwise reasonable and appropriate; and
 - (h) to ensure that no director or any of his associates is involved in deciding his own remuneration.
- 10A. If the model in Clause 10(c)(ii) above is adopted, where the Board resolves to approve any remuneration or compensation arrangements with which the Committee disagrees, the Board should disclose the reasons for its resolution in its next Corporate Governance Report.
- 10B. In regard to Clause 10(c) above, a significant proportion of executive directors' remuneration should link rewards to corporate and individual performance.
11. For the purpose of the code provisions with respect to remuneration committee as contained in The Corporate Governance Code in Appendix 14 to the Listing Rules, "senior management" should refer to the same category of persons as referred to in the Company's annual report and is required to be disclosed under Paragraph 12 of Appendix 16 to the Listing Rules.
12. In regard to Clause 10(h) above, the Committee shall advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under Rule 13.68 of the Listing Rules.
13. The Chairman of the Committee or, in his absence, another member of the Committee or, failing this, the Chairman's duly appointed delegate shall attend the annual general meetings of the Company and make himself available to answer questions at the such annual general meetings.

Reporting

14. The Committee shall report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

- 14A. The Committee shall provide sufficient information to the Board or the management to enable the Company to disclose details of any remuneration payable to members of senior management by band in the Company's annual reports.

Minutes

15. Full minutes of the Committee's meetings should be kept by the Secretary or otherwise a duly appointed secretary at the individual meetings. The Secretary shall circulate the minutes of meetings and reports of the Committee to all members of the Board.

Publication

16. The 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 Stock Exchange's website and the Company's website.

Adopted by the Board of Directors
on 18 March 2005
and amended on 8 February 2010
and further amended on 13 March 2012

Note:

These Terms of Reference comprise the English version and its Chinese translated version. In case of any discrepancies or inconsistencies between the two versions, the English version shall always prevail.