

# **SAM WOO CONSTRUCTION GROUP LIMITED**

## **三和建築集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock code : 3822)

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

#### **Constitution**

1. The Remuneration Committee (the “Committee”) was established by the board of directors (the “Board”) of Sam Woo Construction Group Limited (the “Company”) on 15 September 2014.

#### **Membership**

2. The Committee shall consist of not less than three members appointed by the Board, a majority of whom should be independent non-executive directors.
3. The Chairman of the Committee shall be an independent non-executive director.

#### **Frequency and proceedings of meetings**

4. The Committee shall meet at least annually.
5. The quorum of a meeting shall be two Committee members.
6. The Company Secretary or his nominee shall act as the Committee’s Secretary.

#### **Duties, powers and functions**

7. The Committee shall:
  - (a) 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) review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
- (c) make recommendations to the board on 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) make recommendations to the Board on the remuneration of non-executive directors;
  - (e) consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;
  - (f) 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) 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; and
  - (h) ensure that no director or any of his associate is involved in deciding his own remuneration.
8. 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.
  9. A significant proportion of executive directors' remuneration should link rewards to corporate and individual performance.
  10. Company should disclose details of any remuneration payable to members of senior management, on an individual and named basis, in annual reports.
  11. The Board should conduct a regular evaluation of its performance.

12. The Committee shall be provided with sufficient resources to enable it to perform its duties.

**Reporting Procedures**

13. The Committee shall report its decisions or recommendations to the Board.

October 2014