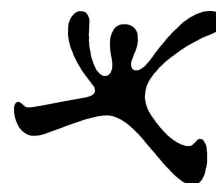


# FAIRWOOD HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 52)**



## Terms of Reference of the Remuneration Committee

### Objective

1. The Remuneration Committee (the “**Committee**”) of Fairwood Holdings Limited (the “**Company**”) is to assist the Board of Directors of the Company (the “**Board**”) to develop and administer a fair and transparent procedure for developing remuneration policy and setting policy on the remuneration of Directors and senior management of the Company.

### Membership

2. The Committee shall be appointed by the Board and shall comprise a minimum of three members (the “**Members**”). The majority of the Members shall be Independent Non-executive Directors of the Company (“**INED(s)**”).
3. The Chairman of the Committee shall be appointed by the Board and must be an INED.
4. The Committee may from time to time appoint any person with appropriate qualification and experience as the secretary of the Committee.

### Meetings

5. The Committee shall meet at least once a year. Additional meetings of the Committee (“**Meeting(s)**”) should be held if the Committee shall so request.
6. Meetings could be held in person or by means of effective telephone conference or similar communication arrangements.
7. The quorum for any Meeting shall be any two Members, of whom at least one has to be INED.
8. A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a Meeting duly convened and held and may consist of several documents in like form each signed by one or more of the Members.
9. The secretary of the Committee should keep full minutes of the Meetings. Draft and final versions of minutes of Meetings should be sent to all Members for their comment and records respectively, in both cases within a reasonable time after the Meeting.

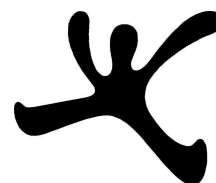
### Authority

10. The Committee shall consult the Chairman of the Company and/or chief executive about their remuneration proposals for other Executive Directors and senior management of the Company respectively.

# FAIRWOOD HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 52)**



## **Terms of Reference of the Remuneration Committee**

11. The Committee is authorized by the Board and at the Company's expense to seek independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

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

### **Duties**

13. Duties of the Committee shall include the following:

- (a) to make recommendations to the Board on the policy and the structure of the Company 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 corporate goals and objectives;
- (c) either:
  - (i) to determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management; or
  - (ii) to make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management.

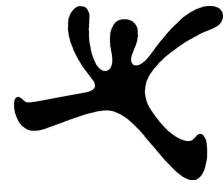
This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- (d) 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 of the Company;
- (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 for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

# FAIRWOOD HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 52)**



## **Terms of Reference of the Remuneration Committee**

- (h) to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (i) to advise shareholders on how to vote with respect to any service contracts of 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
- (j) to review from time to time as appropriate these Terms of Reference and the effectiveness of the Committee and recommend to the Board any necessary changes.

### **Reporting Responsibilities**

- 14. The Committee shall report to the Board after each Meeting.

### **Members of the Committee**

Mr. Joseph Chan Kai Nin (Chairman)

Mr. Ng Chi Keung

Dr. Peter Lau Kwok Kuen

### **Effective Dates**

- 15. Adopted on 27<sup>th</sup> March 2006 (pursuant to the Code on Corporate Governance Practices of Appendix 14 of the Listing Rules effective on 1<sup>st</sup> January 2005).
- 16. 1<sup>st</sup> revised and adopted on 20<sup>th</sup> March, 2012 (pursuant to the Corporate Governance Code and Corporate Governance Report of Appendix 14 of the Listing Rules effective on 1<sup>st</sup> April 2012).