

SINOMAX GROUP LIMITED
盛諾集團有限公司

Terms of Reference of
the Remuneration Committee of the Board of Directors

1 Constitution

The Remuneration Committee (“Committee”) is established by the board of directors (“Board”) of Sinomax Group Limited (“Company”), in accordance with paragraph A.5 of Appendix 14 “Corporate Governance Code” to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”), to advise it on the establishment and administration of a formal and transparent procedure for the formation of remuneration policies applicable to directors, Senior Management and employees of the Company and its subsidiaries and on their remuneration packages. If the Company fails to set up a remuneration committee, the Company shall immediately publish an announcement containing the relevant details and reasons. The Board must approve and provide written terms of reference for the remuneration committee which clearly set out the Committee’s authority and duties.

2 Membership

- 2.1 Members of the Committee shall be appointed by the Board from the directors of the Company and the Committee shall consist of at least three members. The majority of members shall be independent non-executive directors. The quorum for a Committee meeting shall be at least two members.
- 2.2 The chairman of the Committee shall be an independent non-executive director appointed by the Board.
- 2.3 A former partner of the Company’s existing remuneration consulting firm (if any) shall be prohibited from acting as a member of the Committee for a period of one year commencing on the dates of his ceasing:
 - (a) to be a partner of the consulting firm; or
 - (b) to have any financial interest in the firm, whichever is later.
- 2.4 The company secretary of the Company shall serve as the administrator of the Committee and is responsible for its daily administration and meeting organisation. The human resources department of the Company shall serve as the executive division of the Committee.

3 Secretary of the Committee

The secretary of the Committee shall be the company secretary of the Company or other individuals appointed by the Committee from time to time.

4 Meeting

- 4.1 The Committee shall convene meetings at least once a year.
- 4.2 Any provision in the Company’s Articles of Association applicable to the convening and proceedings of Board meeting shall be deemed applicable to the Committee meeting with all adjustments having been made thereto.

- 4.3 Before a Committee meeting, the members shall report their interests in the matters to be discussed at the meeting. If any matters to be discussed involve conflicts of interests with a member or any of his/her associates (see the Listing Rules for definition), the member shall neither attend the meeting nor to vote thereat.

5 Authority

- 5.1 The Committee has been authorised by the Board to conduct investigations within the scope of these Terms of Reference. It is also authorised to seek any information it requires from any employees, all of whom shall co-operate with any reasonable request made by the Committee.
- 5.2 The Committee shall consult the chairman of the Board and the president of the Company about its proposals on the remuneration of executive directors and shall have access to professional advice if it deems necessary.
- 5.3 The secretary of the Committee is authorised by the Board to seek any information required for the Committee members to perform their duties.
- 5.4 The Committee shall be provided with sufficient resources to perform its duties.

6 Duties

- 6.1 The duties of the Committee are as follows:
- (a) to study and make recommendations or proposals to the Board for its review on the Company's policy and structure for remuneration of all directors and Senior Management, on the company's incentive schemes and on the establishment of a formal and transparent procedure for formulating the remuneration policies and incentive schemes;
 - (b) to determine, with the authorisation from the Board, the specific remuneration packages of all 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. The Committee shall consider factors such as salaries paid by comparable companies, time commitments and responsibilities of the directors, employment conditions of other positions in the Company and the practicability of performance-based remuneration;
 - (c) to review and approve performance-based remuneration by reference to corporate objectives approved by the Board from time to time;
 - (d) to review and approve the compensation payable to executive directors and Senior Management in connection with any loss or termination of their office or appointment to ensure that such compensation is consistent with relevant contractual terms and is otherwise fair and not excessive for the Company;
 - (e) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are consistent with relevant contractual terms and are otherwise reasonable and appropriate; and

- (f) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration.

Note: The Committee shall advise shareholders of the Company on how to vote with respect to any service contracts of directors that require shareholders' approval (under Rule 13.68 of the Listing Rules).

- 6.2 The scope of authority and responsibility of the Committee shall be made public, to explain its roles and the authorities conferred by the Board shall be explained.

7 Reporting Procedure

- 7.1 Minutes of the Committee meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the company secretary of the Company), and such minutes shall be available for inspection at any reasonable time on reasonable notice by any director of the Company.
- 7.2 Minutes of meetings of the Committee shall record in sufficient details the matters considered by the Committee and decisions reached, including any concerns raised by directors, members or dissenting views expressed. Draft and final versions of the minutes shall be sent to all members of the Committee for their comments and records respectively within a reasonable time after a meeting.
- 7.3 Without prejudice to the generality of the duties of the Committee set out in these Terms, the Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.

8 Annual General Meeting

If required by the Board, the chairman of the Committee (or in his absence, another member of the Committee or his/her duly appointed representative) shall attend the Annual General Meeting of the Company and be prepared to respond to any shareholder's question on the Committee's activities and its responsibilities.

9 Powers of the Board

- 9.1 The power to interpret these Terms of Reference shall vest in the Board.
- 9.2 These Terms of Reference shall enter into force after being reviewed and approved by the Board.

10 Others

The English version and the Chinese version of these Terms of Reference shall be published on the Company's website and the Stock Exchange's website.

Note: For the purpose of these Terms of Reference, "Senior Management" refers 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.