



喜尚控股有限公司

GAYETY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8179)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

- (1) The primary function of the remuneration committee is to assist the Board in establishing coherent remuneration policy which (i) enable the Company to attract, retain and motivate directors and senior management who create value for shareholders; (ii) fairly and responsibly reward directors and senior management having regard to the performance of the Company, the time commitment and responsibilities of the directors and senior management and the general remuneration environment; and (iii) comply with the provisions of the GEM Listing Rules and other relevant legal requirements. The Board together with the chairman of the remuneration committee ensure the remuneration committee is provided with sufficient resources to discharge its duties.

Membership

- (2) The committee members of the remuneration committee shall consist of not less than three members appointed by the Board, all of whom shall be executive director and non-executive directors and a majority of whom shall be independent non-executive directors. The quorum for a meeting shall be two members.
- (3) The chairman of the remuneration committee shall be appointed by the Board and shall be an independent non-executive director. In the absence of such chairman, the committee members present shall choose one of their number to act as chairman to chair the meeting.

Attendance at Meeting

- (4) The members of the remuneration committee shall attend the meetings of the remuneration committee. The committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members. The secretary of the remuneration committee shall be the company secretary of the Company or his/her delegate or any other person appointed by the chairman of the remuneration committee (the "Secretary").

Frequency and proceedings of meetings

- (5) The remuneration committee shall meet at least once a year to review and approve the remuneration policy of the Company and to make recommendation to the Board. In addition, the chairman of the remuneration committee may at his discretion, or at the request of the Board or the director responsible for the human resource convene special meetings. The committee members may from time to time adopt the proceedings for convening a meeting, and the proceedings and means of passing the resolutions by the remuneration committee.

Authority

- (6) The remuneration committee shall consult the chairman of the Board about their remuneration proposals for other executive directors.

- (7) The remuneration committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- (8) The remuneration committee 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.
- (9) The remuneration committee may seek advice from the specific human resource corporations to ensure the Board acknowledges the current market trends and conditions..

Duties

- (10) The duties of the Committee shall be:
 - (a) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (b) to review and approve the management's remuneration proposal with reference to the Board's corporate goals and objectives;
 - (c) 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 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 relevant contractual terms and is otherwise fair and not excessive;
 - (f) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with relevant contractual terms and are otherwise reasonable and appropriate;
 - (g) to ensure that no director or any of his associates is involved in deciding his own remuneration;
 - (h) do any such things to enable it to perform its duties conferred on it by the Board; and
 - (i) to consider other topics, as defined by the Board.
- (11) When the remuneration committee determine the remuneration packages, they should consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group.

Other Procedures

- (12) The chairman of the remuneration committee shall liaise with the secretary of the remuneration committee before drafting and approving the agenda of every remuneration committee's meetings. The chairman of the remuneration committee, with the assistance of the secretary, shall ensure all the committee members receive with adequate information in a sufficient time which facilitate the effective discussion at the meeting, and give due explanation to any matters that have been raised by the committee members at the remuneration committee meeting. The secretary shall record the proceedings of the meeting at each duly convened remuneration committee meeting. Minutes should record in sufficient detail the matters considered by the committee, decision reached or recommendation made, and including any concerns raised by any committee members or dissenting views expressed. The secretary to the Remuneration Committee shall circulate the draft and final version of the minutes of meetings of the Remuneration Committee to all members for their comment and record respectively, in both cases within a reasonable time after each meeting. At the next meeting of the Board following a meeting of the committee, the chairman of the committee shall report to the Board on the findings and recommendations of the committee.

Miscellaneous

- (13) This revised terms of reference of the remuneration committee was adopted by passing of the relevant resolutions by the Board on 23 March 2012 and shall have immediate effect.

The Chinese version of this document is for reference only. In case of any discrepancies or inconsistency between the English version and Chinese version, the English version prevails.