

CBK Holdings Limited

國茂控股有限公司

(a company incorporated in Cayman Islands with limited liability)

REMUNERATION COMMITTEE TERMS OF REFERENCE

Constitution

1. The board of directors (the “**Board**”) of CBK Holdings Limited (the “**Company**” which together with its subsidiaries, the “**Group**”) has resolved to establish a committee of the Board to be known as the Remuneration Committee (the “**Committee**”) at a meeting held on 20 January 2017.

Membership and Quorum

2. The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom shall be independent non-executive directors of the Company. A quorum shall be two members.
3. The chairman of the Committee shall be an independent non-executive director and appointed by the Board.

Authority and Duties

4. The authority of the Committee is derived from the Board, therefore the Committee is obliged to report to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so.
5. The Committee is authorised by the Board to investigate any activity within the scope of these terms of reference and shall be provided with sufficient resources to perform its duties. It is authorised to seek any information it requires from any employee of the Group and members of the Board in order to perform its duties and all employees of the Group and members of the Board are directed to co-operate with any request made by the Committee within the scope of these terms of reference.
6. Each member of the Committee shall disclose to the Committee:
 - (a) any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Committee; or
 - (b) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Committee.

7. The duties of the Committee shall be:
 - (a) to formulate remuneration policy for the approval of the Board, which shall take into consideration factors such as salaries paid by comparable companies, employment conditions and responsibilities, and individual performance of the directors, senior management and general staff. Performance shall be measured against corporate goals and objectives resolved by the Board from time to time; and implement the remuneration policy laid down by the Board;

- (b) to make recommendations to the Board on the Group's policy and structure for all directors (including chief executive who is an ex-officio) and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (c) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (d) to determine, with delegated responsibility or make recommendations to the Board on the remuneration packages of individual executive directors (including chief executive who is an ex-officio) and senior management of the Group, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. The Committee shall consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;
- (e) to make recommendations to the Board on the remuneration of non-executive directors;
- (f) to review and approve compensation payable to executive directors and senior management of the Group 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;
- (h) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;
- (i) to consider the performance bonus (if any) for executive directors, senior management and general staff (if applicable), having regard to their achievements against the performance criteria and by reference to market norms, and make recommendations to the Board;
- (j) to determine the criteria for assessing employee performance which should reflect the Company's business objectives and target;
- (k) to advise shareholders of the Company with respect to any service contracts of directors of the Group that require shareholders' approval under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited;
- (l) to establish guidelines for the recruitment of the Chief Executive and senior management; and
- (m) to consider other topics and review other documents as may be reasonably requested by the Board from time to time.

Consultation

8. The Committee shall consult the chairman of the Board and/or chief executive about their remuneration proposals for other executive directors of the Company, if any, and, at the expenses of the Group, have access to independent professional advice if necessary.

Secretary

9. The secretary of the Company (or his delegate) shall be the secretary of the Committee (the “**Secretary**”).

Meetings

10. The Committee shall meet as and when necessary or as requested by any Committee member. The Committee shall meet at least once every year.
11. An agenda and accompanying papers shall be sent in full to all members of the Committee in a timely manner and at least 7 days before the intended date of the meeting of the Committee (or such other period as agreed by its members).
12. The meetings and proceedings of the Committee are governed by the provisions of the Articles of Association of the Company for regulating the meetings and proceedings of the Board so far as the same are applicable.
13. In the case of an equality of votes at a meeting of the Committee, the chairman of the meeting shall have the casting vote.

Reporting Procedures

14. The Secretary shall keep minutes of each Committee’s meeting. Draft and final versions of minutes of the Committee’s meetings shall be sent to all members of the Committee for their comments and records respectively, in both cases within a reasonable time from such meeting.
15. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board, unless a conflict of interest exists or for the reasons mentioned in paragraph 4.
16. The Committee should report to the Board on a regular basis. 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.

Adopted by the Board on 20 January 2017.