



## **Louis XIII Holdings Limited**

**路易十三集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock code: 577)

(the “Company”)

### **Terms of Reference**

for the Remuneration Committee

#### **1. Membership**

- 1.1 The members (the “Member(s)”) of the remuneration committee (the “Remuneration Committee”) of the Company shall be appointed by the board (the “Board”) of directors (the “Director(s)”) of the Company from time to time.
- 1.2 The majority of the Members shall be independent non-executive Directors.
- 1.3 The Remuneration Committee shall consist of not less than two Members.
- 1.4 The Chairman of the Remuneration Committee shall be appointed by the Board and must be an independent non-executive Director.

#### **2. Secretary**

- 2.1 The head of the Human Resources Department shall serve as the secretary of the Remuneration Committee.

#### **3. Meetings**

- 3.1 The Remuneration Committee shall meet at least once a year and may be convened by any Member or by the secretary of the Remuneration Committee on the request of a Member.
- 3.2 Notice may be given in writing or by telephone or by facsimile or electronic transmission or other similar means or in such other manner as the Remuneration Committee may from time to time determine.
- 3.3 The quorum of the Remuneration Committee shall be any two Members.

\* *For identification purpose only*

- 3.4 Meetings can be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 3.5 Resolutions of the Remuneration Committee at any meetings shall be passed by a simple majority of votes of the Members present.
- 3.6 A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.
- 3.7 Other than that stated herein, all provisions of laws and of the Company's Bye-laws relating to proceedings of the Board shall apply mutatis mutandis to proceedings of the Remuneration Committee.
- 3.8 The secretary of the Remuneration Committee shall circulate the full minutes of meetings of the Remuneration Committee to all Members in draft for comments as soon as reasonably practicable. Final versions of minutes shall be prepared and sent to all Members and to all members of the Board as soon as practicable.

#### **4. Attendance at meetings**

- 4.1 At the invitation of the Remuneration Committee, other members of the Board and any other persons may be invited to attend all or part of any meetings.
- 4.2 Only Members are entitled to vote at the meetings.

#### **5. Authority**

- 5.1 The Remuneration Committee is authorised by the Board to consult the Chairman of the Board and/or the Chief Executive Officer about their remuneration proposals for other executive Directors and senior management of the Company.
- 5.2 The Remuneration Committee is authorised by the Board to seek any remuneration related information it requires from senior management of the Company in order to perform its duties.
- 5.3 The Remuneration Committee is authorised by the Board to obtain independent legal or other professional advice if considered necessary to perform its duties at the expense of the Company.
- 5.4 The Remuneration Committee shall be provided with sufficient resources to perform its duties.

## 6. Responsibility and Powers

The Remuneration Committee shall have the following responsibilities and powers:

- 6.1 to 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;
- 6.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 6.3 to determine, with delegated responsibility, 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;
- 6.4 to make recommendations to the Board on the remuneration of non-executive Directors;
- 6.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- 6.6 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;
- 6.7 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;
- 6.8 to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- 6.9 to make recommendations on the manpower deployment plan of the Company;
- 6.10 to form a view in respect of service contracts that require shareholders' approval and advise shareholders (other than shareholders who are directors with a material interest in the service contracts and their associates) as to whether the terms are fair and reasonable, to advise whether such contracts are in the interests of the Company and its shareholders as a whole, and advise shareholders on how to vote; and
- 6.11 to administer the Company's share option scheme and any other incentive scheme of the Company.

## **7. Reporting procedures**

7.1 The Remuneration Committee shall report to the Board after each meeting.

*Remark: “senior management” refers to the same persons referred to in the Company’s annual report and required to be disclosed under Appendix 16 to the Listing Rules.*

(Revised on 26 March 2012)