



SYMPHONY

SYMPHONY HOLDINGS LTD.

新豐集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 01223)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

DEFINITIONS

1. For the purposes of the terms of reference:

Board means the board of directors of the Company.

Company means Symphony Holdings Limited.

Company Secretary means the company secretary of the Company.

Director(s) mean the director(s) of the Company.

Exchange means The Stock Exchange of Hong Kong Limited.

Group means the Company and its subsidiaries and associated companies for the time being.

Listing Rules mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).

Remuneration Committee means the remuneration committee established by resolution of the Board in accordance with clause 3 of the terms of reference.

Management means heads of divisions, departments or other operating units within the Group, and/or directors of subsidiaries.

Shareholders mean the shareholders of the Company.

2. The word "remuneration", as used in the terms of reference, includes without limitation any salaries, bonuses, allowances, benefits (in cash or in kind), pension arrangements, reimbursements, compensation payments (including any compensation payable for loss or termination of office or appointment), incentive payments and share options.

CONSTITUTION

3. The Board has resolved to establish a committee of the Board to be known as the Remuneration Committee.

MEMBERSHIP

4. The members of the Remuneration Committee shall be appointed by the Board from time to time from amongst the non-executive Directors and shall consist of not less than three members, a majority of whom shall be independent non-executive Directors. The quorum for meetings of the Remuneration Committee shall be two members. The chairman of the Remuneration Committee shall be appointed by the Board.
5. Each member of the Remuneration Committee shall disclose to the Remuneration 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 Remuneration 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 Remuneration Committee.

FREQUENCY AND NOTICE OF MEETINGS

6. Meetings shall be held at least once a year. The chairman of the Remuneration Committee shall convene a meeting upon request by any member of the Remuneration Committee.
7. Unless otherwise agreed, notice of each Remuneration Committee meeting, specifying the place, the day and the hour of the meeting shall be given to each Remuneration Committee member and any other persons who are required to attend such meeting, no later than seven days before the intended date of a meeting of the Remuneration Committee.
8. An agenda and accompanying board papers should be sent in full to all members of Remuneration Committee in a timely manner and at least three days before the intended date of a meeting of the Remuneration Committee (or such other period as agreed by its members).
9. Management is obliged to supply the Remuneration Committee with adequate information in a timely manner, in order to enable it to make informed decisions.

The information supplied must be complete and reliable.

PROCEEDINGS OF MEETINGS

10. Save as the aforesaid, meetings of the Remuneration Committee shall be conducted in accordance with the provisions contained in the Bye-Laws of the Company governing the Proceedings of the Directors.

AUTHORITY

11. The Remuneration Committee is authorised by the Board to discharge its duties within the terms of reference. It is authorised to seek any remuneration information it requires from the Directors and/or Management who are directed to co-operate with the Remuneration Committee.
12. 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. The Remuneration Committee shall be provided with sufficient resources to discharge its duties.

DUTIES

13. The duties of the Remuneration Committee shall include:
 - (a) 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;
 - (b) to review and approve the Management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (c) to be responsible for determining, with delegated responsibility, the remuneration packages of each executive Director and senior management or making recommendations to the Board on the remuneration packages of each executive Director and senior management;
 - (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;
 - (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 the contractual terms and is otherwise fair and not excessive for the Company;

- (g) 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;
 - (h) to ensure that no Director or any of his associates is involved in deciding his own remuneration;
 - (i) to address and deal with such other matters as may be delegated by the Board to the Remuneration Committee; and
 - (j) to delegate such of its powers as the Remuneration Committee deems appropriate to the Management.
14. In carrying out its duties under the terms of reference, the Remuneration Committee should:
- (a) consult the chairman of the Board and/or the chief executive about their remuneration proposals for the executive Directors; and
 - (b) ensure that share options offered by the Company to its Directors or senior management (if any) are in accordance with Chapter 17 of the Listing Rules, as applicable.
15. Without prejudice to the generality of the terms of reference to the Remuneration Committee set out above, the Remuneration Committee shall:
- (a) review the terms of executive Directors' service contracts (if any) from time to time; and
 - (b) advise the Board in relation to the preparation of the Board's remuneration report (if any) to shareholders.

REPORTING PROCEDURES

16. Minutes of the Remuneration Committee's meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary), and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director. Minutes of meetings of the Remuneration Committee shall record in sufficient detail the matters considered by the Remuneration Committee and decisions reached, including any concerns raised by Directors, members or dissenting views expressed. Draft and final versions of minutes of such meetings should be sent to all Remuneration Committee members for their comment and records, in both cases within a reasonable time

after such meetings.

17. Without prejudice to the generality of the duties of the Remuneration Committee set out in the terms of reference, the Remuneration Committee shall report 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.

TERMS AVAILABLE

18. The Remuneration Committee shall make available the terms of reference on request, explaining its role and the authority delegated to it by the Board, by inclusion on the Exchange's website and the Company's websites.

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