



濱海投資有限公司
BINHAI INVESTMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 2886)

Binhai Investment Company Limited

(the “Company”)

Remuneration Committee – Terms of Reference

MEMBERSHIP

1. The remuneration committee of the Company (the “Committee”) shall consist of not less than three members appointed by the board of directors of the Company (the “Board”), with the majority of the members being independent non-executive directors of the Company.
2. The Chairman of the Committee shall be appointed by the Board who should be an independent non-executive director of the Company.
3. The members of the Committee shall not have personal financial interest (other than being a shareholder of the Company) and conflicts of interest arising from cross-directorships.
4. The term of membership will be one year from the date of appointment subject to renewal and shall be governed by the provisions of the Bye-Laws of the Company (as amended from time to time).
5. The appointment of the members of the Committee may be revoked and new members can be appointed in their stead, by resolutions passed by the Board and by the Committee respectively.
6. No alternate member of any member of the Committee can be appointed.
7. The Company Secretary of the Company shall be the secretary of the Committee. The Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary of the Company.

FREQUENCY AND PROCEEDINGS OF MEETINGS

8. The Committee shall meet at least once a year. Additional meetings should be held as and when the work of the Committee demands.

9. The Chairman of the Committee may convene additional meetings at his discretion.
10. The quorum of a meeting shall be two members of the Committee or 50% of the members of the Committee who are entitled to vote at the meeting, whichever is the higher.
11. A member of the Committee shall abstain from voting and shall not be counted in the quorum of a meeting in respect of the resolution regarding the remuneration payable to him.
12. Proceedings of meetings of the Committee shall be governed by the provisions of the Bye-Laws of the Company (as amended from time to time).

RESPONSIBILITY

13. The Committee is to review and formulate policies in respect of remuneration structure for all directors of the Company (“Directors”) and senior management of the Company (“Senior Management”) and make recommendations to the Board for its consideration. 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 required to be disclosed under the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

DUTIES, POWERS AND FUNCTIONS

14. The Committee is to: —
 - (a) make recommendations to the Board on the Company’s policy and structure for all Directors’ and Senior Management’s remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (b) review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
 - (c) either:—
 - (i) determine, with delegated responsibility, the remuneration packages of individual executive Directors and Senior Management; or
 - (ii) 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) make recommendations to the Board on the remuneration of non-executive Directors;
- (e) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- (f) 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;
- (g) review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they consistent with contractual terms and are otherwise reasonable and appropriate;
- (h) ensure that no Director or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration and that, as regards the remuneration of a non-executive Director who is a member of the Committee, his/her remuneration should be determined by the other members of the Committee;
- (i) advise the shareholders of the Company on how to vote with respect to any service contract to be granted to any director or proposed director of the Company (or its subsidiary) which
 - (i) is for a duration that may exceed 3 years; or
 - (ii) in order to entitle the Company (or its subsidiary) to terminate the contract, expressly requires the Company (or its subsidiary) to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year's remunerationthat requires shareholders' approval under the Listing Rules;
- (j) consider the granting of share options to Directors pursuant to any share option scheme adopted by the Company;
- (k) ensure due compliance with any relevant disclosure requirements in respect of the remuneration of Directors under the Listing Rules, the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and any other statutory requirements;
- (l) review and make recommendations to the Board regarding the pension arrangements for Directors and Senior Management;
- (m) review and report to the Board on any suspected irregularities in the reimbursement of unreasonable out-of-pocket expenses of Directors and Senior Management;

- (n) review and approve the interim report, annual report, announcement and circular or any publication of the Company regarding remuneration and service contracts of the Directors prior to approval by the Board;
 - (o) be provided with sufficient resources to perform its duties, including to be allowed to seek any relevant information and all requisite resources from the Company or from external resources (including but not limited to engaging external consultants or experts to provide any independent professional advice) at the cost of the Company, upon authorization from the Board;
 - (p) make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Stock Exchange's website and the Company's website;
 - (q) engage such external legal, financial or other independent professional advisers or other persons at the cost of the Company to enable it to discharge its duties as it considers necessary;
 - (r) consult the Chairman of the Board and/or the Chief Executive (General Manager of the Company) about their remuneration proposals for other executive Directors; and
 - (s) consider other matters, as defined or assigned by the Board from time to time.
15. The Committee may, from time to time, invite the Chairman of the Board, Managing Director, external advisers and/or other persons as may be considered by the Committee to be appropriate to attend all or any part of any meetings, and such invitation(s) shall be coordinated by the Secretary of the Committee. However, only members of the Company are entitled to vote at the meetings.
16. The Chairman of the Committee or in his/her absence, another member (who must be an independent non-executive director of the Company) of the Committee shall attend the Company's annual general meeting and be prepared to respond to shareholders' questions on the Committee's activities and responsibilities.

REPORTING PROCEDURES

17. Full minutes of the meetings of the Committee shall be kept by the secretary of the Committee, who shall prepare and send draft and final versions of minutes of meetings and all written resolutions of the Committee to all members of the Committee for their comments and records within a reasonable time after the meeting.
18. The Committee should report to the Board on a regular basis on its decisions or recommendations.
19. 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. At least once annually, the Committee should present a report in writing to the Board which addresses the work and findings of the Committee during the year.