



Pak Tak International Limited
百德國際有限公司

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This document has been translated into Chinese. In case of discrepancies between the English version and the Chinese version, the English version shall prevail.

PAK TAK INTERNATIONAL LIMITED
(the "**Company**", together with its subsidiaries, the "**Group**")

TERMS OF REFERENCE
OF
REMUNERATION COMMITTEE
(the "**Committee**")

Membership

1. The Committee shall, at least, consist of the Chairman of the Board, all the Independent Non-Executive Directors and one Executive Director appointed by the Board from time to time provided that a majority of the members of the Committee must be Independent Non-executive Directors.
2. The Board shall nominate one of the members of the Committee as the chairman of the Committee who must be an Independent Non-Executive Director.
3. The Company Secretary or his/her nominee shall act as the Secretary of the Committee.

Frequency and proceedings of meetings

4. The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.
5. The chairman of the Committee may convene additional meetings at his/her discretion.
6. The quorum of a meeting shall be two members of the Committee.
7. 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.
8. The Committee may meet and adjourn as it thinks proper. Questions arising at any

meeting shall be determined by a majority of votes of the members present and, in the case of an equality of votes, the chairman of a meeting shall have a second or casting vote.

Duties, powers and functions

9. The Committee shall:

- (a) recommend to the Board on the establishment of a formal and transparent procedure for developing remuneration policy which shall take into consideration salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group; and implement the remuneration policy laid down by the Board;
- (b) without prejudice to the generality of the foregoing:
 - (i) recommend to the Board the policy and structure for all Directors and senior management remuneration whilst ensuring no Director or any of his associates is involved in deciding his own remuneration;
 - (ii) recommend to the Board on the remuneration packages of Directors, (including non-executive Directors) and senior management, including benefits in kind, pension rights, compensation payments (including compensation payable for loss or termination of their office or appointment). The Chairman and/or the chief executive of the Company shall be consulted about their remuneration proposals for other executive Directors;
 - (iii) 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;
 - (iv) 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;
 - (v) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (vi) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
 - (vii) conform to any requirement, direction, and regulation that may from time to

time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation or the Listing Rules.

Reporting Procedures

10. The Committee shall 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 the findings and recommendations of the Committee to the Board.

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