



**CNT GROUP LIMITED**

**北海集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 701)**

**TERMS OF REFERENCE  
OF  
REMUNERATION COMMITTEE**

---

**1. Objective**

The remuneration committee (“Committee”) is to assist the board (“Board”) of directors (“Directors”) of CNT Group Limited (“Company”) to develop and administer a formal and transparent procedure for setting policy on the remuneration of Directors and senior management of the Company and for fixing their remuneration packages.

**2. Membership**

- 2.1 Members of the Committee shall be appointed by the Board and can be removed by the Board. The Committee shall be made up of at least three members.
- 2.2 Majority of members of the Committee shall be Independent Non-executive Directors (“INEDs”).
- 2.3 The Committee Chairman shall be an INED.

**3. Responsibilities**

The responsibilities of the Committee shall be:

- 3.1 To make recommendations to the Board on policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

*(Note: “senior management” refers to all those persons as referred to be the senior management staff in the annual report of the Company, subject to revision from time to time by the Board.)*

- 3.2 To review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives.

- 3.3 To determine the remuneration packages of individual Executive Directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment). The Committee should consult the Chairman of the Board and/or the Managing Director about their remuneration proposals for other Executive Directors.
- 3.4 To make recommendations to the Board on the remuneration of the Non-Executive Directors.
- 3.5 To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group.
- 3.6 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.
- 3.7 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.
- 3.8 To ensure that no Director or any of his associates is involved in deciding his own remuneration.
- 3.9 To review from time to time as appropriate these Terms of Reference and the effectiveness of the Committee and recommend to the Board any necessary changes.
- 3.10 To do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board.
- 3.11 To 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.

#### **4. Authority**

- 4.1 The Committee is authorised to obtain, at the Company's expense, independent professional advice on any matter within its terms of reference if necessary.
- 4.2 The Committee shall be provided with sufficient resources to perform its duties.

#### **5. Committee Meetings**

##### *Frequency*

- 5.1 The Committee shall meet at least once a year and otherwise as required.

### *Notice*

- 5.2 Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its members.
- 5.3 The meetings and proceedings of the Committee shall be governed by the provisions contained in the Company's bye-laws for regulating the meetings and proceedings of Directors.

### *Quorum*

- 5.4 The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### *Secretary*

- 5.5 The Company Secretary or such other person appointed by the Committee shall be the secretary of the Committee.

### *Minutes of Meetings*

- 5.6 The secretary of the Committee shall keep full minutes of all Committee meetings. Draft and final version of minutes of Committee meetings shall be sent to all members of the Committee for their comment and records respectively.

### *Written Resolutions*

- 5.7 A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the members of the Committee.

## **6. Reporting Responsibilities**

- 6.1 The Committee Chairman shall report to the Board on its proceedings after meetings on all matters within its duties and responsibilities.
- 6.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

**7. Annual General Meeting**

- 7.1 The Committee Chairman should, as far as practicable, attend the Annual General Meeting and make himself available to respond to any shareholder questions on the Committee's activities.

-END-

*(The translation into Chinese language of this document is for reference only. In case of an inconsistency, the English version shall prevail.)*