



# GLORIOUS SUN ENTERPRISES LIMITED

## 旭日企業有限公司

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 393)

### REMUNERATION COMMITTEE – TERMS OF REFERENCE

#### 1. Constitution

The Remuneration Committee is constituted as a committee of the board (the “Board”) of directors (the “Directors”) of Glorious Sun Enterprises Limited (the “Company”).

The Remuneration Committee was established on 27th May 2005 with its Terms of Reference updated and revised from time to time with reference to Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

This updated version of Terms of Reference is approved by the Board and is effective on 23rd March 2012.

#### 2. Membership

2.1. The members of the Remuneration Committee (the “Members”) shall be appointed by the Board and shall consist of not less than two members.

2.2. The majority of the Members shall be independent non-executive Directors.

2.3. The Chairman of the Remuneration Committee shall be appointed by the Board and shall be an independent non-executive Director.

#### 3. Secretary

3.1. The Company Secretary of the Company or his deputy shall be the secretary of the Remuneration Committee.

#### 4. Meetings

4.1. Meetings shall be held not less than once a year.

4.2. Notice of any meetings has to be given at least 14 days prior to any such meeting

being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned meetings is not required if adjournment is for less than 14 days.

- 4.3. The quorum for meetings shall be two Members.
- 4.4. 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 communications equipment or through electronic means of communications whereby all persons participating in the meeting are capable of hearing each other.
- 4.5. Resolutions of the Remuneration Committee at any meetings shall be passed by a majority of votes of the Members present.
- 4.6. A resolution in writing signed by all Members shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.
- 4.7. At the invitation of the Remuneration Committee, the Chairman of the Board and/or Vice-chairman of the Board, external advisers and other persons may be invited to attend all or part of any meetings.
- 4.8. Only Members of the Remuneration Committee are entitled to vote at the meetings.
- 4.9. Minutes of meetings shall be kept by the secretary of the Remuneration Committee. Draft and final versions of minutes shall be sent to all Members for their comment and records within a reasonable time after the meeting. Such minutes shall be open for Directors' inspection.

## **5. Annual General Meeting**

- 5.1. The chairman of the Remuneration Committee or in his absence, another member of the Remuneration Committee or in his absence his duly appointed delegate, shall attend the Company's annual general meeting and be prepared to respond to shareholders' questions on the Remuneration Committee's activities and its responsibilities.

## **6. Duties**

The duties of the Remuneration Committee shall be as follows:-

- 6.1. to 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;
- 6.2. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

- 6.3. either (a) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or (b) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This shall 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 payable by comparable companies, time commitment and responsibilities and engagement conditions elsewhere in the Group;
- 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; and
- 6.8. to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.

## **7. Reporting**

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

## **8. Authority**

- 8.1. The Remuneration Committee shall consult the Chairman of the Board and/or General Manager about their remuneration proposals for other executive Directors and senior management.
- 8.2. The Remuneration Committee is authorised by the Board where necessary to have access to independent professional advice at the Company's expense.
- 8.3. The Remuneration Committee shall be provided with sufficient resources to perform its duties.

*Remark : “senior management” refers to the same persons referred to in the Company's annual report and required to be disclosed under paragraph 12 of Appendix 16 of the Listing Rules.*

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