

C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

TERMS OF REFERENCE

OF

REMUNERATION COMMITTEE

(Adopted on 15 July 2005 and amended on 29 February 2008,

12 March 2012 and 21 March 2014 by the Board)

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1. DEFINITIONS

“Board”	means the board of Directors
“Company”	means C Y Foundation Group Limited
“Director(s)”	means the director(s) of the Company
“Group”	means the Company and its subsidiaries
“INED(s)”	means the independent non-executive Director(s)
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Member”	means a member of the Remuneration Committee
“Remuneration Committee”	means the remuneration committee of the Company
“Secretary”	means the secretary of the Remuneration Committee
“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 to the Listing Rules (Disclosure of Financial Information).

(Note: It is stated in paragraph 12 of Appendix 16 that:

It is the responsibility of the directors of the listed issuer to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries; heads of divisions, departments or other operating units within the group as, in the opinion of the listed issuer’s directors, is appropriate.)

2. CONSTITUTION

2.1 The Remuneration Committee was established by the Board.

2.2 These terms of reference were proposed by the Remuneration Committee and adopted by the Board.

- 3. MEMBERSHIP**The Remuneration Committee shall comprise a minimum of 3 Members. Majority of the Remuneration Committee shall be INEDs. The Members shall be appointed by the Board without fixed term of office. The Members shall nominate one of the Members of the Remuneration Committee to be the chairman of the Remuneration Committee.

4. PROCEEDINGS OF MEETINGS

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

4.2 A quorum shall be 2 Members, one of whom should be INED.

4.3 Additional meeting(s) shall be arranged if the work of the Remuneration Committee requires or if the chairman of the Remuneration Committee considers necessary.

4.4 Save for otherwise required by any applicable law, regulation or rules, in lieu of

meetings, decisions by the Remuneration Committee can be carried out by means of resolutions in writing circulated among and duly signed by all Members.

- 4.5 Each meeting of the Remuneration Committee shall be attended, physically or by electronic means.
- 4.6 In general, the company secretary of the Company should be the Secretary.

5. ROLES AND RESOURCES

- 5.1 The Remuneration Committee is authorized by the Board to perform any functions within its terms of reference.
- 5.2 The Remuneration Committee is authorized 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, provided that the arrangement is in line with the Company's guidelines for seeking independent professional advice (if any).

6. AUTHORITY, FUNCTIONS AND DUTIES

The Remuneration Committee shall have the following authority, functions and duties:

- 6.1 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;
- 6.2 to review and make recommendation for (if any) the remuneration package of each Executive Director and Senior Management including benefits in kind, pension rights, bonus payment and compensation payments (including any compensation payable for loss or termination of their office or appointment);
- 6.3 to ensure the Company disclose details of any remuneration payable to members of Senior Management by band in the annual reports;
- 6.4 to consult the Chairman and/or the CEO about their remuneration proposals for other Executive Directors;
- 6.5 to make recommendations to the Board on the remuneration of Non-Executive Directors;
- 6.6 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 6.7 to consider and recommend remuneration packages with reference to relevant factors including salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- 6.8 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;
- 6.9 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;
- 6.10 to ensure that no Director or any of his/ her associates is involved in deciding his/ her own remuneration; and
- 6.11 to engage external professional advisors to assist and/or advise the Remuneration

Committee on its duties when necessary and reasonable, provided that the arrangement is in line with the Company's guidelines for seeking independent professional advice (if any).

7. REPORTING TO THE BOARD

- 7.1 The Remuneration Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

8. REPORTING PROCEDURES

The Secretary shall arrange the records of the meetings of the Remuneration Committee in the following manner:

- 8.1 draft minutes to be sent to all Members of the Remuneration Committee present in the meeting for comments within a reasonable time (normally 10 business days after the meeting);
- 8.2 a reasonable time (normally a minimum of 3 business days) shall be allowed for each Member present in the relevant meeting to comment on the draft minutes;
- 8.3 within a reasonable time (normally the next 10 business days), the final version of the minutes shall be circulated to each attendee at the relevant meeting for signature; and
- 8.4 within a reasonable time (normally within 3 business days after obtaining all signatures) the signed minutes shall be sent to each Member for record, if desirable, to the relevant member(s) of the Board and/or the relevant management executives of the Group, for reference and/or follow up.