

## **Y. T. Realty Group Limited**

*(Incorporated in Bermuda with limited liability)*

### **TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

*In these terms of reference, references to one gender shall include all genders and references to natural persons shall include corporations and unincorporated associations, unless the context otherwise requires.*

*For the purpose of these terms of reference, “senior management” should refer to the same category of persons as referred to in the Company’s annual report and is required to be disclosed under paragraph 12 of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).*

#### **Membership, Chairman & Secretary**

1. **Membership:** The Company’s remuneration committee (the “Committee”) shall be appointed by the board (the “Board”) of directors of the Company (“Directors”) and must comprise a minimum of three members.

The majority of the Committee members must be independent non-executive Directors (“INEDs”). The Board may from time to time appoint additional members to the Committee from among the INEDs.

2. **Chairman:** The chairman of the Committee (the “Chairman”) shall be appointed by the Board.
3. **Secretary:** The Head of Human Resources Department or in his absence, his delegate, shall be the secretary of the Committee (the “Secretary”). The Committee may from time to time appoint any other person with appropriate qualifications as the Secretary.

## **Objective**

4. The purpose of the Committee is to give the Board such assistance, assurance and advice as it may reasonably require regarding the Company's policy and structure for all remuneration of Directors and senior management, and to set the remuneration of all executive Directors and senior management.

## **Responsibilities**

Without limiting the generality of the Committee's objective, the Committee shall have the following responsibilities, powers, authorities and discretion:

- 5.1 to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration as the Committee may consider appropriate;
- 5.2 to determine the specific remuneration packages of all 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, and make recommendations to the Board on the remuneration of non-executive Directors. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration;
- 5.3 to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- 5.4 to review and approve the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
- 5.5 to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;

- 5.6 To ensure that no Director or any of his associates is involved in deciding his own remuneration;

*Note : The Committee shall advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under rule 13.68 of the Listing Rules.*

- 5.7 to consult the chairman of the Board and/or managing Director about their proposals relating to the remuneration of other executive Directors and senior management;
- 5.8 to seek any remuneration related information it requires from senior management and senior management must make every endeavour to accede to such requests that may be made by the Committee in the course of performing its duties;
- 5.9 to have access to professional advice whenever it considers necessary;
- 5.10 to be adequately resourced in order to discharge its duties;
- 5.11 to do such additional things as to enable it to discharge its powers and functions conferred on it by the Board;
- 5.12 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;
- 5.13 to review annually the Committee's terms of reference and its own effectiveness and recommend to the Board any necessary changes; and
- 5.14 to perform any other duties specified in the code provisions of Appendix 14 to the Listing Rules from time to time.

## **Proceedings**

6. **Frequency:** The Committee shall meet with such frequency as it may consider appropriate (but in any event not less than once a year).

A meeting of the Committee may be convened by the Secretary on request of a member or by any member.

7. **Quorum:** The quorum shall be two members, one of whom should be the Chairman or an INED.

Members may participate in any Committee meeting by means of a conference telephone, electronic or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.

8. **Voting:** Questions arising at any Committee meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes, the Chairman shall have a second or casting vote.

9. **Resolutions:** 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 duly convened and held. Any such resolution may be contained in a single document or may consist of several documents all in like form.

The Secretary should keep full minutes of the Committee meetings. Draft and final versions of minutes of the Committee meetings should be sent to all members for their comments and records respectively, in both cases within a reasonable time after each meeting.

10. **Attendance:** The Committee may, from time to time, invite the chairman of the Board and/or managing Director, external advisers and other persons to attend all or part of any Committee meetings.

## **Reporting**

11. The Chairman or in his absence, another member of the Committee, shall give an oral report to the Board after each Committee meeting.

## **Communication**

12. The Chairman or in the absence of the Chairman, another member of the Committee or failing this his duly appointed delegate, should attend the Company's annual general meeting to answer any questions that may be raised thereat on the Committee's activities and responsibilities.
13. A copy of these terms of reference will be made available on request.