



# **QPL INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 243)**

## **REMUNERATION COMMITTEE TERMS OF REFERENCE**

**Approved and adopted on 23 January 2006  
(Revised on 23 October 2006 and 7 March 2012)**

### **A. Guiding Principles**

1. QPL International Holdings Limited (the “Company”) should disclose to its shareholders the Company’s remuneration policy and all material remuneration-related matters relevant to directors and senior management.
2. The procedure for setting policy on remuneration and all specific remuneration packages applicable, in each case, to directors and senior management should be formal and transparent.
3. Remuneration levels should be sufficient to attract and retain directors and other senior executives to run the Company successfully without paying more than necessary.
4. No individual should be involved in deciding his own remuneration.

### **B. Membership**

1. The Remuneration Committee shall be appointed by the board of directors (the “Board”) of the Company and consist of at least three (3) members, a majority of whom are independent non-executive directors of the Company.
2. The Chairman of the Remuneration Committee shall be an independent non-executive director and elected by its members.
3. Members will be subject to re-election as a Board member by shareholders at the general meeting of the Company.
4. The company secretary of the Company or such other person nominated by the Board shall act as the secretary of the Remuneration Committee.

### **C. Frequency and Proceedings of Meetings**

1. The Remuneration Committee shall meet at such times as the Remuneration Committee may determine appropriate to discharge its responsibilities.
2. A quorum of any meeting of the Remuneration Committee will be two (2) members.
3. Only Remuneration Committee members have the right to attend Remuneration Committee meetings. The Remuneration Committee however may invite persons such as the chairman of the Board, chief executive, any director, any member of senior management, the head of human resources and external advisers to its meetings, as it deems necessary.
4. The secretary of the Remuneration Committee shall circulate the draft agenda and accompanying papers regarding the Remuneration Committee meetings to all members in a timely manner, so far as practicable, at least three (3) days in advance of each meeting for their comments.
5. The secretary of the Remuneration Committee shall circulate the draft and final versions of minutes of the meetings to all committee members for their comment and records within a reasonable time after the meeting.
6. The secretary of the Remuneration Committee shall keep full minutes of the Remuneration Committee meetings.
7. In the absence of the secretary, a member of the Remuneration Committee shall act as the secretary.

### **D. Duties**

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 and to provide its guidance and views as to how the Company should be determining the composition of its senior management for these purposes;
2. To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. Either:
  - (i) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or
  - (ii) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management.

This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

4. To make recommendations to the Board on the remuneration of non-executive directors;
5. To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
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;
7. To review and approve compensation arrangements relating to dismissal or removal of directors and senior management for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
8. To ensure that no director or any of his associates is involved in deciding his own remuneration;
9. Subject to the rules of the share option schemes of the Company, to have the delegated responsibility to determine any matters relating to granting of options to all executive directors and senior management and their associates under the share option schemes of the Company and the exercise of options by them thereunder (including, but not limited to, number of options, exercise price, option period, minimum period which must be held before the options can be exercised and performance targets which must be met before the options can be exercised), and make recommendations to the Board for any matters relating to granting of options to all non-executive directors and their associates under the share option schemes of the Company and the exercise of options by them thereunder (including, but not limited to, number of options, exercise price, option period, minimum period which must be held before the options can be exercised and performance targets which must be met before the options can be exercised); and
10. To ensure that no director or any of his associates is involved in deciding any matters relating to granting of options to him or his associates under the share option schemes of the Company and the exercise of options by them thereunder.

#### **E. Authority**

1. The Board hereby delegates to the Remuneration Committee such powers and authorities as it shall reasonably require to perform its duties and without prejudice to the foregoing:-
  - To make recommendations to the Board revising its terms of reference from time to time;

- The Remuneration Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee of the Company in order to perform its duties; and
- The Company should provide the Remuneration Committee with sufficient resources to perform its duties and have access to independent professional advice, if necessary. It is authorised to select, appoint and approve fees for remuneration consultants or other professional advisors to assist the Remuneration Committee in the fulfillment of its duties.

## **F. Reporting Procedures**

The Remuneration Committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors and report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

**\*\*\*\*\*End\*\*\*\*\***