

# SHINHINT ACOUSTIC LINK HOLDINGS LIMITED

## 成謙聲匯控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

### Remuneration Committee - Terms of Reference

(Revised and adopted on 23rd March, 2012)

#### 1. Constitution

The board of directors (“**Board**”) of Shinhint Acoustic Link Holdings Limited (“**Company**”) resolved on 25th June 2005 to establish a remuneration committee (“**Committee**”).

#### 2. Objective

To review the remuneration mechanism and incentive scheme of the directors of the Company (“**Directors**”) and senior management.

To establish and maintain a reasonably competitive remuneration in order to attract and retain Directors and senior management.

#### 3. Membership

The Committee shall comprise not more than 5 members to be appointed by Board. A majority of the members of Committee shall be independent non-executive directors of the Company (“**INED**”).

The chairman of the Committee (“**Chairman**”) shall be appointed by the Board and shall be an INED.

#### 4. Secretary of the Committee

Company secretary shall be the secretary of the Committee (the “**Secretary**”).

#### 5. Meetings and quorum

The quorum for a meeting of the Committee shall be 3 members, of whom 2 shall be INED.

The Committee may invite any other Directors, senior executives, experts and professionals or any other person to attend the meetings of the Committee when necessary.

Members of the Committee may participate in a meeting of the Committee by means of a conference telephone and shall abstain from voting when his/her remuneration package is under review at a meeting of the Committee.

Each member of the Committee shall have one vote in any meeting of the Committee.

Resolutions of the Committee shall be passed by a simple majority of votes. In the event of an equality of votes, the Chairman shall have a second or casting vote.

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

### **6. Frequency of meetings**

The Committee shall meet at least once a year.

### **7. Authorization**

The Committee is authorized by the Board to investigate any activity within its terms of reference and to seek external professional or independent advice when necessary.

### **8. Duties**

The duties of the Committee shall include, but not be limited to, the followings:

- (a) to recommend 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.
- (b) the Committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice if necessary.
- (c) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- (d) to determine, with delegated responsibility, 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).
- (e) to recommend to the Board on the remuneration of the non-executive directors.
- (f) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group.
- (g) to review and approve compensation payable to the 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.
- (h) 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.

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- (i) to ensure that no director or any of his associate(s) is involved in deciding his remuneration.
- (j) to recommend a share option scheme (or amendments to such scheme) to the Board and to recommend the granting of share options to the Directors and staff of the Company under such scheme.
- (k) to perform their duties in an appropriate manner and in compliance with the rules and restrictions set by the Board from time to time.
- (l) the Chairman (or another appointed member of the Committee when the Chairman is unable to attend) shall attend the annual general meeting and answer enquiries at the meeting.

#### **9. Reporting procedures**

The Committee shall provide a report to the Board for the work performed by the Committee as set out in the terms of reference during the specified period.

The Secretary shall forward the draft minutes of the meeting of the Committee to all members of the Committee for their comment within a reasonable time after the meeting. The final version shall be circulated to all members of the Committee for records. Minutes should record in sufficient detail the matters considered and decisions reached. The Secretary should keep full minutes of the meetings.

The above reporting matters shall not include matters that cannot be reported as restricted by laws or regulations (for example, disclosure restricted by rules and regulations).

#### **10. Revision and review**

This terms of reference shall be reviewed in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Any amendments shall be recommended to the Board for approval.