



Golden Harvest

**ORANGE SKY GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED**

橙天嘉禾娛樂（集團）有限公司\*

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1132)**

**Terms of Reference of the Remuneration Committee**

(as adopted by the Board on 8 October 2004 and amended on 26 March 2012)

**1. Constitution**

The Board of Directors (the “Board”) of Orange Sky Golden Harvest Entertainment (Holdings) Limited (the “Company”) established a committee to the Board known as the Remuneration Committee (the “Committee”) on 8 October 2004.

**2. Objectives**

The Committee shall ensure that:

2.1 The Company shall disclose information relating to its directors’ (each, a “Director”) remuneration policy and other remuneration related matters. There shall be a formal and transparent procedure for setting policy on executive Directors’ remuneration and for fixing the remuneration packages for all Directors and senior management;

2.2 Levels of remuneration shall reflect the performance and responsibilities of the individual and be sufficient to attract, motivate and retain the high performing individual(s) needed to run the Company successfully, but avoid paying more than necessary; and

2.3 No Director or any of his/her associates shall be involved in deciding his/her own remuneration.

**3. Membership**

3.1 The Committee shall have at least three members, each of them being appointed by the Board.

3.2 The Board shall appoint the Chairman of the Committee who shall be an independent non-executive Director.

3.3 A majority of the members of the Committee shall be independent non-executive Directors.

#### **4. Proceedings of Meeting**

4.1 The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.

4.2 Meetings of the Committee shall be called by the Chairman of the Committee, or at the request of the Board.

4.3 The quorum necessary for the transaction of business shall be two. Matters transacted at the meetings shall be determined by a majority of votes. In the case of any equality of votes, the Chairman of the Committee shall have an additional or casting vote.

4.4 Members of the Committee may participate in any meeting of the Committee by means of conference telephone or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum.

4.5 The members of the Committee shall abstain from voting on any resolution in which they have a material interest and that they shall not be counted in the quorum.

4.6 The meetings and proceedings of the Committee shall be governed by the provisions contained in the Bye-laws of the Company for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

4.7 The company secretary of the Company shall be the secretary of the Committee. The secretary of the Committee should keep full minutes of the Committee meetings.

#### **5. Authority and responsibilities**

5.1 The Committee shall consult the Chairman of the Board and/or chief executive officer of the Company about their remuneration proposals for other executive Directors and should have access to independent professional advice if necessary.

5.2 The Committee shall have powers:-

a) 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;

- b) 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, and make recommendations to the Board on the remuneration of non-executive Directors. The Committee shall consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- c) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- d) 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;
- e) 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
- f) to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.

5.3 For the purpose these terms of reference, "senior management" means the same category of persons referred to in the Company's annual report.

5.4 The Committee shall make available its terms of reference, explaining its role and the authority delegated to it by the Board.

5.5 The Committee shall be provided with sufficient resources to discharge its duties.

5.6 The Committee shall consider such other topics as it is directed by the Board to do so.

5.7 The Chairman of the Committee shall report regularly to the Board on the matters having discussed among the members.

## **6. Miscellaneous**

These terms of reference are written in both English and Chinese languages. In the event of any inconsistency or conflict between the English version and the Chinese version, the English version of these terms of reference shall prevail.