



# Power Financial Group Limited 權威金融集團有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 397)**

(the “Company”)

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

### **1. Objective**

The purposes of the remuneration committee (the “**Committee**”) are to formulate the Company’s remuneration policy and recommend remuneration packages for the directors (the “**Directors**”) and senior management (“**Senior Management**”) of the Company to the board of Directors (the “**Board**”) for approval.

### **2. Composition**

- 2.1 The members of the Committee shall be appointed by the Board and shall comprise a minimum of three members.
- 2.2 The majority of the members of the Committee shall be independent non-executive Directors.
- 2.3 The Chairman of the Committee shall be appointed by the Board and must be an independent non-executive Director.
- 2.4 The company secretary of the Company shall act as the secretary of the Committee.

### **3. Meetings**

- 3.1 The meetings and proceedings of the Committee shall be governed by the provisions contained in the Company's bye-laws for regulating the meetings and proceedings of Directors.
- 3.2 The Committee shall meet at least once a year and at such other times as the Committee determines to be appropriate to carry out its duties and responsibilities. The quorum for the meetings shall be two members of the Committee.
- 3.3 The Committee may invite any appropriate persons to attend meetings of the Committee as it considers appropriate.

### **4. Authority**

- 4.1 The Committee is authorised by the Board to investigate any activity within its duties and responsibilities outlined in these terms of reference.
- 4.2 The Committee shall consult the Chairman and/or chief executive(s) of the Company about their remuneration proposals for other executive Directors. The Committee should have access to independent professional advice if necessary.

### **5. Duties and Responsibilities**

- 5.1 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.
- 5.2 To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- 5.3 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.

- 5.4 To make recommendations to the Board on the remuneration of non-executive Directors.
- 5.5 To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries.
- 5.6 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.
- 5.7 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.
- 5.8 To ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.
- 5.9 To review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
- 5.10 To review from time to time as appropriate these terms of reference and recommend to the Board any necessary changes.

## **6. Reporting**

The Committee shall report back to the Board on its decisions and progress on a regular basis as to be determined by the Committee and approved by the Board and shall provide to the Board all the information necessary to enable the Company to prepare the corporate governance report to be included in its annual report.