



玖龍紙業(控股)有限公司

NINE DRAGONS PAPER (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(the “Company”)

(Stock Code: 2689)

**TERMS OF REFERENCE
REMUNERATION COMMITTEE**

1. Membership

- 1.1. All the members of the Remuneration Committee shall be appointed by the board (the “Board”) of the Company.
- 1.2. The Remuneration Committee shall consist of a majority of independent non-executive Directors (“Independent Non-executive Director(s”).
- 1.3. The Board shall appoint the chairman of the Remuneration Committee who should be an Independent Non-executive Director.

2. Secretary

- 2.1 The Company Secretary of the Company shall act as the secretary (the “Secretary”) of the Remuneration Committee.
- 2.2 The Remuneration Committee may, from time to time, appoint other qualified and experienced person to be the Secretary of the Remuneration Committee.

3. Meeting

- 3.1 The Remuneration Committee shall meet at least annually. Additional meetings shall be held as the work of the Remuneration Committee demands.
- 3.2 Notice of any Meetings has to be given at least 3 days prior to any such Meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a Meeting by a Member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned Meetings is not required if adjournment is for less than 3 days.



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- 3.3 The quorum of a meeting shall be two members of the Remuneration Committee and one of them must be an Independence Non-Executive Director.
- 3.4 Meetings can either be held in person or through live electronic means of communication such as teleconference or videoconference.
- 3.5 Resolutions of the Remuneration Committee shall be passed by a majority of votes.
- 3.6 A resolution in writing signed by all the Members of the Committee shall be as effect for all purposes as a resolution of the Committee passed at a meeting duly convened, held and constituted.
- 3.7 Full minutes shall be kept by the Secretary of the Remuneration Committee. Draft and final versions of minutes shall be circulated to all members for their comment and records respectively, in both cases within a reasonable period of time after the Meeting. Such minutes shall be open for Directors' inspection.

4. Attendance at Meetings

At the invitation of the Remuneration Committee, the Chairman of the Board and/or the Chief Executive Officer (if not a member of the Remuneration Committee), external advisers and other persons may attend all or part of any meetings.

5. Annual General Meeting

The Chairman of the Remuneration Committee or in his/her absence, another Member (who must be an independent non-executive Director) of the Remuneration Committee, shall attend the Company's Annual General Meeting and be prepared to respond to shareholders' questions on the Remuneration Committee's activities and their responsibilities.

6. Duties and powers

The Remuneration Committee shall have the following duties, powers and discretion:



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- 6.1 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;
- 6.2. to have the delegated responsibilities to review and determine the remuneration packages of individual executive Directors and senior management, including basic salaries, deferred compensation, stock options, 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 of the remuneration of non-executive Directors. The Remuneration 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;
- 6.3. to review and approve performance-based remuneration of the management by reference to corporate goals and objectives resolved by the Board from time to time;
- 6.4. 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;
- 6.5 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;
- 6.6 to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;



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- 6.7 to advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under the Listing Rules; and
- 6.8 to administer the share option scheme adopted by the Company.

7. Reporting Duty

The Remuneration Committee shall report to the Board on a regular basis.

8. Authority

- 8.1 The Remuneration Committee shall consult the Chairman of the Board and/or Chief Executive Officer about their proposals relating to the remuneration of other executive Directors.
- 8.2 The Remuneration Committee is authorised by the Board to seek any remuneration related information it requires from senior management of the Company in order to perform its duties.
- 8.3 The Remuneration Committee is authorised to obtain independent professional advice and to secure assistance from external parties with relevant experience and expertise where it considers necessary. The Remuneration Committee shall have the sole authority to approve all reasonable related fees and terms of engagement.
- 8.4 The Remuneration Committee shall be provided with sufficient resources to discharge its duties.