



## **Advanced Card Systems Holdings Limited**

**龍傑智能卡控股有限公司\***

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

**(Stock Code: 2086)**

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

(Effective on 29 September 2015)

#### ***Formation***

1. The Committee was formed pursuant to the board resolution of Advanced Card Systems Holdings Limited (the “Company”) passed on 30 December 2004.

#### ***Composition and Quorum***

2. The members of the Committee shall be appointed by the board of directors (the “Board”) of the Company amongst the non-executive directors and executive directors of the Company. A majority of the Committee members should be independent non-executive directors.
3. Members : The Committee shall consist of not less than 3 members.
4. Quorum : 2
5. The chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director.
6. The meetings and proceedings are governed by the provisions contained in the articles of association of the Company for regulating meetings and proceedings of directors.

#### ***Authority***

7. The 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 and all employees are directed to co-operate with any request made by the Committee.
8. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

\* For identification only

## *Duties*

9. The duties of the Committee shall be:
- (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 review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
  - (c) 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;
  - (d) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
  - (e) 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;
  - (f) 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;
  - (g) to make recommendations to the Board on the remuneration of non-executive directors;
  - (h) to ensure that no director or any of his associates is involved in deciding his own remuneration;
  - (i) to consult the chairman and/or the chief executive about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice if necessary; and
  - (j) to consider other topics as defined by the Board.

## *Secretary of the Committee*

10. The head of human resources department of the Company shall be the secretary of the Committee. The secretary of the Committee or in his/her absence, his/her representative or any one Committee member, shall be the secretary of the meetings of the Committee.

*Frequency of meetings*

11. Meetings shall be held not less than once a year.

*Reporting procedures*

12. The secretary or his/her representative shall circulate the minutes of meetings to all members of the Committee.