

**NEO TELEMEDIA LIMITED**  
**(the “Company”)**

**REMUNERATION COMMITTEE**

**TERMS OF REFERENCE**

**1. Membership**

- 1.1 Members of the remuneration committee (the “**Committee**”) shall be appointed by the board of directors (the “**Board**”), where appropriate, in consultation with the chairman of the Committee (the “**Committee Chairman**”). The Committee shall be made up of at least three members (“**Members**”).
- 1.2 Majority of members of the Committee shall be independent non-executive directors.
- 1.3 Only Members of the Committee have the right to attend Committee meetings. Other individuals may be invited to attend all or part of any meeting as and when appropriate.
- 1.4 The Board shall appoint the Committee Chairman who must be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining Members present shall elect one of their Members to chair the meeting.

**2. Secretary**

- 2.1 The company secretary or his/her nominee shall act as the secretary of the Committee.
- 2.2 The Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Committee.

**3. Quorum, Attendance at Meetings and Resolutions**

- 3.1 The quorum necessary for the transaction of business shall be two Members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.2 Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 3.3 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the Members present.

3.4 A resolution in writing signed by all the Members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

#### **4. Frequency of Meetings**

The Committee shall meet at least once a year and otherwise as required.

#### **5. Notice of Meetings**

5.1 Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its Members.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each Member of the Committee and any other person required to attend at least 7 days before the date of the meeting. Supporting papers shall be sent to Committee Members and to other attendees as appropriate at least 3 days in advance of the meeting (or other agreed period).

#### **6. Minutes of Meetings**

The Committee Chairman shall arrange for keeping of records of resolutions passed at Committee meetings, and circulate the same to all Members of the Committee within a reasonable time after each meeting and, once agreed, to all Members of the Board.

#### **7. Annual General Meeting**

The Committee Chairman should, as far as practicable, attend the annual general meeting and make himself available to respond to any shareholder questions on the Committee's activities.

#### **8. Responsibility, Powers and Discretion**

The Committee shall have the following responsibilities, powers and discretion:

8.1 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;

8.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

8.3 to determine, with delegated responsibility, 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;

- 8.4 to make recommendations to the Board on the remuneration of non-executive directors;
- 8.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- 8.6 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;
- 8.7 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; and
- 8.8 to ensure that no director or any of his associates is involved in deciding his own remuneration.

## **9. Reporting Responsibilities**

- 9.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## **10. Authority**

- 10.1 The Committee should consult the chairman of the Board and/or chief executive about their remuneration proposals for other executive directors and senior management. The Committee should have access to independent professional advice if necessary.
- 10.2 The 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.
- 10.3 The Committee shall be provided with sufficient resources to perform its duties.

***Note: If there is any inconsistency between the English and Chinese versions of these terms of reference, the English version shall prevail.***