



# NEW CONCEPTS HOLDINGS LIMITED

創業集團（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2221

## Remuneration Committee Terms of Reference

New Concepts Holdings Limited (the “**Company**”) was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 19 September 2014.

In compliance with the code of provision of the Corporate Governance Code issued by the Stock Exchange, a remuneration committee (the “**Committee**”) should be established with the terms of reference as set out and adopted herein.

### Constitution

1. The Committee was established by resolutions of the board of directors of the Company (the “**Board**”, and each director of the Board, a “**Director**”) on 26 August 2014.

### Membership

2. The members of the Committee shall be appointed by the Board from time to time from among the Directors and shall consist of not less than three members, a majority of whom shall be independent non-executive Directors.
3. The chairman of the Committee shall be appointed by the Board and should be an independent non-executive Director.
4. The term of office of a member of the Committee shall be determined by the Board.
5. Each member of the Committee shall disclose to the Committee:
  - (a) any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Committee; or
  - (b) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and abstain from participating in the discussions concerning such resolutions, and shall resign from the Committee (if so required by the Board).

### Frequency and procedure of meetings

6. Unless otherwise stated herein, the meetings of the Committee are governed by the provisions regulating the meetings and proceedings of Directors in the Company’s memorandum and articles of association.

7. Meetings shall be held at least once a year. The chairman of the Committee shall convene a meeting upon request by any member of the Committee.
8. An agenda and any accompanying Committee papers should be sent in full to all members of the Committee in a timely manner and at least three days before the proposed date of a meeting of the Committee (or other agreed period).
9. The quorum of a Committee meeting shall be any two members of the Committee, one of whom must be an independent non-executive Director.
10. The Company is obliged to supply the Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where a Director requires more information than information provided voluntarily by the senior management, the relevant Director should make additional necessary enquiries. The Board and individual Directors shall have separate and independent access to the senior management.

### **Annual General Meetings**

11. The chairman of the Committee shall attend the Company's annual general meeting and be prepared to respond to any shareholder's questions on the Committee's activities.
12. If the chairman of the Committee is unable to attend an annual general meeting of the Company, he shall arrange for another member of the Committee, or failing this, his duly appointed delegate, to attend in his place. Such person shall be prepared to respond to any shareholder's questions on the Committee's activities.
13. The secretary of the Committee shall be the company secretary of the Company or his/her appointed delegate.

### **Authority**

14. The Committee is authorised by the Board to discharge its duties within these Terms. It is authorised to seek any remuneration information it requires from relevant parties of the Company. The Committee is authorised and encouraged by the Board to obtain external independent professional advice from reputable internationally recognised advisors, at the Company's expense, and to secure the attendance of such external advisors with relevant experience and expertise. The Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external remuneration consultant who advises the Committee.

### **Duties**

15. The duties of the Committee shall include:
  - (a) making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
  - (b) reviewing and approving the management's remuneration proposals with reference to the Board's goals and objectives;

- (c) being responsible, as the Board shall direct, for making recommendations to the Board on 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;
- (d) making recommendations to the Board on the remuneration of non-executive Directors;
- (e) considering salaries paid by comparable companies in the industry in which the Company operates, time commitment and responsibilities, and employment conditions elsewhere in the Group;
- (f) reviewing and approving the compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that such compensation is consistent with the contractual terms and is otherwise fair and not excessive;
- (g) reviewing and approving 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;
- (h) ensuring that no Director or any of his/her associates (as such term is defined in the Rules Governing the Listing of Securities on the Stock Exchange) is involved in deciding his own remuneration;
- (i) reviewing and approving performance-based remuneration by reference to corporate objectives approved by the Board from time to time; and
- (j) reviewing the policy of the Company and its subsidiaries and associated companies at the relevant time on expense reimbursements for the Directors and senior management.

### **Reporting procedures**

- 16. Minutes of the Committee's meetings shall be kept by the secretary of the Committee, and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.
- 17. Minutes of meetings of the Committee shall record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes should be sent to all members of the Committee for their comment and records respectively, in both cases within a reasonable time after such meetings.
- 18. Without prejudice to the generality of the duties of the Committee set out in these terms of references, the Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on doing so.

## **Provision of Terms**

19. The Committee shall make available these terms of references on request and by inclusion on the Stock Exchange's website and the Company's website, thereby explaining the role of the Committee and the authority delegated to it by the Board.

## **Approval of Disclosure Statements**

20. The Committee shall be responsible for approving all disclosure statements in relation to the Committee, including but not limited to relevant disclosure statements in annual reports, interim reports and information uploaded on the Stock Exchange's website and the Company's website.

## **Review of Terms**

21. The Committee shall review these terms of references annually, and may consider and submit to the Board any proposed changes that the Committee deems appropriate or advisable.