

**CSI PROPERTIES LIMITED**

**(the “Company”)**

**TERMS OF REFERENCE**

**OF**

**THE REMUNERATION COMMITTEE**

**(the “Committee”)**

**1. Function**

The Committee is to formulate reward packages for senior management and individual executive directors. The Committee will consult the Chairman of the Board on the adequacy of the corporate remuneration policy and individual reward package with particular reference to fairness, sufficiency of incentive element and effective application of company resources.

**2. Membership**

Members of the Committee shall be appointed by the board of directors (the “Board”) of the Company and shall consist of not less than three members, a majority of which should be independent non-executive directors. A quorum shall be two members.

The Chairman of the Committee shall be an independent non-executive director appointed by the Board.

**3. Frequency of meetings**

The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.

**4. Responsibilities**

- a. To review and consider the existing remuneration package including, but not limited to, salary, year end bonus, allowances and other fringe benefit, of senior management and individual executive directors.
- b. 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.
- c. To review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives.
- d. To determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management/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.

- e. To make recommendations to the Board on the remuneration of non-executive directors.
- f. In determination of remuneration policy and package, to consider factors such as salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere within the group and in the market.
- g. 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.
- h. 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.
- i. To ensure that no director or any of his associates is involved in deciding his own remuneration.
- j. To consider and recommend to the Board the remuneration package of an executive director before his/her appointment.
- k. To review and hear reports from the Human Resources Department and the Finance Department regarding the payment of remuneration package to senior management.
- l. To review, consider and advise the Board on proposal of granting any year end bonus and/or performance related bonus.
- m. To keep proper records of Committee meetings.
- n. To keep all personal records, meeting minutes, conversation with relevant staff and/or director, and discussions among Committee members confidential.
- o. To provide incidental advice to the Board on remuneration policy of the Company and to take up other assignments as the Board may assign from time to time.
- p. To report back to the Board on decisions or recommendations made, unless there are legal or regulatory restrictions on their ability to do so.
- q. To seek external professional advice at the expense of the Company where it considers necessary.