



ITE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8092)

TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

(Adopted by the Company pursuant to the Board resolution passed on 8 December 2005

and revised on 23 March 2012)

1. Constitution

The board (the “Board”) of directors (the “Directors”) of ITE (Holdings) Limited (the “Company”) have resolved to established a committee known as the Remuneration Committee (the “Committee”) pursuant to article 137 of the Articles of Association of the Company.

2. Objective and Role

The Committee is responsible for setting policy on remuneration of Directors and Senior Management, fixing the remuneration packages for each Director and Senior Management and other remuneration related matters so as to attract capable persons to work for the Company

3. Membership

The Committee shall comprise a minimum of three Directors appointed by the Board from time to time. The majority of the Committee members shall be independent non-executive Directors.

The Board shall nominate one of the three members as the chairman of the Committee.

The head of the Human Resources Department or a nominee shall act as the secretary of the Committee.

4. Frequency and proceedings of meetings

4.1 The Committee shall hold at least one regular meeting in a year. Additional meetings of the Committee may be held as and when required.

3.2 The quorum of the Committee meeting shall be two members.

3.3 Meetings could be held in person, by telephone or by video conference. 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.

5. Notice and Minutes of Meeting

- 5.1 Unless otherwise agreed, notice of each meeting setting out the venue, time and date on which it is to be held, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee 14 days prior to the date of the meeting.
- 5.2 Committee members could include any matters in the agenda for each Committee meeting.
- 5.3 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the members present. The Secretary shall minute the proceedings and resolutions of all Committee meetings. Minutes of Committee meetings should record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by members or dissenting views expressed.
- 5.4 Full minutes shall be kept by a duly appointed Secretary of the meeting. 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.

6. Duties

- (a) 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;
- (b) to have the delegated responsibility to determine the specific remuneration packages of all 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, and make recommendations to the Board of the remuneration of non-executive Directors. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Company and its subsidiaries and desirability of performance-based remuneration;
- (c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (d) 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 for the Company;
- (e) 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; and
- (f) to ensure that no Director or any of his associates is involved in deciding his own remuneration.

7. Authority

- 7.1 The Committee is authorized to seek any information it requires from any employee and all employees are directed to cooperate with any reasonable request made by the Committee.
- 7.2 The Committee may, from time to time, seek advice from special personnel consulting groups so as to ensure that the Board remains informed of market trends and practices.

8. Reporting Responsibilities

The Committee should report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.

Note: If there is any inconsistency between the English and Chinese versions of this Term of Reference, the English version shall prevail.