

**FOUNDER HOLDINGS LIMITED**  
**(the “Company”)**

**TERMS OF REFERENCE**  
**OF**  
**REMUNERATION COMMITTEE**  
**(the “Committee”)**

**Membership**

1. The members of the Committee shall be appointed by the Board of Directors (the “Board”) from time to time, a majority of which shall be independent non-executive Directors.
2. The Board shall nominate one of the members of the Committee as the chairman of the Committee.
3. The Head of Human Resources Department or a person designated by the Committee or Head of Human Resources Department shall act as the secretary of the Committee.

**Frequency and proceedings of meetings**

4. The Committee shall meet at least once every year. Additional meetings shall be held as and when necessary.
5. The chairman of the Committee may convene additional meetings at his/her discretion.
6. The quorum of a meeting shall be two members of the Committee.
7. The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.
8. Proceedings of meetings of the Committee shall be governed by the provisions of the Bye-laws of the Company.

**Duties, powers and functions**

9. The Committee shall :
  - (a) consult the Chairman and/or the Chief Executive Officer of the Company about their proposals relating to the remuneration of executive Directors and the senior management (which should refer to the same category of persons as referred to in

the Company's annual report and is required to be disclosed under paragraph 12 of Appendix 16 or other rule(s) from time to time of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") of the Company (the "Senior Management");

- (b) make recommendations to the Board on the policy and structure for all remuneration of the Directors and the Senior Management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (c) have the delegated responsibility to determine the specific remuneration packages of all executive Directors and the Senior Management, including (but not limited to) benefits in kind, pension rights and compensation payments (such as 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 of the Company and its subsidiaries ("the Group") and desirability of performance-based remuneration;
- (d) 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;
- (e) to ensure that no Director or any of his associates is involved in deciding his own remuneration. For this purpose, the remuneration of any member of the Committee shall be determined by the Board;
- (f) to advise shareholders of the Company on how to vote with respect to any service contracts of Directors that require shareholders' approval under rule 13.68 or other rule(s) from time to time of the Listing Rules; and
- (g) review and approve performance-based remuneration by reference to the goals and objectives resolved by the Board from time to time.

10. The Committee is authorized by the Board:

- (a) to seek advice from external consultants or advisers whose fees and expenses shall be borne by the Company;
- (b) to seek information from the Company regarding the employment terms of the Directors and employees of the Group; and
- (c) to obtain sufficient resources from the Company to discharge its duties.

### **Reporting procedures**

11. The Committee shall report to the Board. 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.

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