

PACIFIC CENTURY PREMIUM DEVELOPMENTS LIMITED
(“PCPD” or “Company”)

REMUNERATION COMMITTEE

TERMS OF REFERENCE

Revised and approved by the Board of the Company on 28 February 2012

Constitution

1. The Board of the Company (“Board”) resolved on 25 October 2004 to establish a committee of the Board to be known as the Remuneration Committee (“Committee”).

Objectives and Role

2. The primary objectives of the Committee are to :
 - (a) ensure formal and transparent procedures for developing remuneration policy, and for overseeing the remuneration packages of individual executive directors and senior management; and
 - (b) provide effective oversight and administration of the Company’s share option scheme and any other share incentive schemes or other equity based schemes.

Membership

3. The members of the Committee shall be appointed by the Board and shall consist of at least three members, a majority of whom shall be independent non-executive directors of the Company.
4. The Chairman of the Committee shall be appointed by the Board and must be an independent non-executive director.

Attendance at Meetings

5. The Committee may invite the Chairman, the Chief Executive Officer, any director, member of senior management or other individuals to attend meetings of the Committee as it considers appropriate.
6. The Company Secretary of the Company or his or her nominee shall be the Secretary of the Committee.

Frequency of Meetings

7. Meetings shall be held at least once a year and at such other times as the Committee determines is appropriate to carry out its responsibilities.

Authority

8. The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee in order to perform its duties.
9. In connection with its duties, the Committee is authorized to select, appoint and approve fees for remuneration consultants or other independent external professional advisors to assist the Committee in the fulfillment of its duties if necessary. The Committee shall, where appropriate, consult the chairman of the Board and/or chief executive about their remuneration proposals for other executive directors.
10. The Committee may delegate its authority including to sub-committees or the Chairman of the Committee, and impose any regulations upon them, when it deems appropriate and in the best interests of the Company.
11. In connection with its duties to administer the Company's share option scheme and any other share incentive schemes, the Committee is authorized to approve the use of the common seal and any securities seal of the Company in the course of administration of such schemes.

Duties

12. In addition to any other responsibilities which may be assigned from time to time by the Board, the duties of the Committee shall be:
 - (a) to make recommendation 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;
 - (b) to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
 - (c) to determine, with the delegated responsibility, the remuneration packages of individual executive directors and senior management, including salaries, allowances, benefits in kind, pension rights, short and long term incentives, any special benefit items and compensation payments, including any compensation payable for loss or termination of their office or appointment, to make recommendations to the Board on the remuneration of non-executive directors and to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the PCPD Group;
 - (d) to review and approve 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;
 - (f) to review and approve employment, services, consultancy or termination agreements of executive directors and senior management, if any;
 - (g) to administer the Company's share option scheme in accordance with the terms of such scheme;
 - (h) to administer and oversee other share incentive schemes or other equity based schemes of the Company in place from time to time;

- (i) to produce and approve disclosure statements of the Company's remuneration policy and other disclosures in relation to the Committee and its work as required by applicable laws and rules where necessary; and
- (j) to ensure no director or any of his associates is involved in any decisions as to his or her own remuneration.

The Committee should consult the Chairman of the Board about their remuneration proposals relating to paragraphs 12 (a), (b), (c), (d), (e) and (f) before the Committee discusses such matters or makes decisions on such matters, or makes recommendations on such matters to the Board.

Meeting Procedures

- 13. The meetings and proceedings of the Committee shall be governed by the provisions of the Company's Bye-laws for regulating the meetings and proceedings of the directors of the Company, except for otherwise determined by the Board from time to time.
- 14. The quorum for meetings shall be two members of the Committee.

Reporting Procedures

- 15. The Committee shall report to the Board concerning its activities, either orally or in writing, at regular meetings of the Board or at other times or occasions where necessary.
- 16. The Secretary of the Committee shall distribute the minutes of meetings / written resolutions of the Committee to the Board members.

Frequency of Review

- 17. This Terms of Reference shall be reviewed on an annual basis and when necessary, and can be revised by the Board from time to time.